



Montana Legislative History

Chapter: 587 Session L: 1995 Checklist of Bill History

Bill Number: 3 House / Senate

History and Final Status Sheet

Introduced Bill

Fiscal Note

Third Reading Bill

Final Version of Bill

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House

Committee:

Appropriations

Hearing Date(s):

march 13, 1993

Committee Report:

Senate

Committee:

Finance and Claims

Hearing Date(s):

march 28, 1995
march 30, 1995

Committee Report:

Conference Committee

Hearing Date(s):

Conference Committee Report:

Compiler Notes

Compiled by: Sey

Date: 12-1-23

Notes:

3/24	HEARING		
3/30	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/31	2ND READING CONCURRED AS AMENDED	28	22
4/01	3RD READING CONCURRED	28	22
	RETURNED TO HOUSE WITH AMENDMENTS		
4/04	2ND READING AMENDMENTS NOT CONCURRED	82	15
4/04	FREE CONFERENCE COMMITTEE APPOINTED		
4/06	HEARING		
4/12	HEARING		
4/12	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/12	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	56	43
4/13	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	58	41
	SENATE		
4/05	FREE CONFERENCE COMMITTEE APPOINTED		
4/12	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/13	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	28	22
4/13	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	27	23
4/18	SIGNED BY SPEAKER		
4/18	SIGNED BY PRESIDENT		
4/20	TRANSMITTED TO GOVERNOR		
5/12	SIGNED WITH LINE ITEM VETO CHAPTER NUMBER 593 EFFECTIVE DATE: 07/01/95		

HB 3

INTRODUCED BY ZOOK

APPROPRIATE MONEY TO VARIOUS STATE AGENCIES FOR THE FISCAL
YEAR ENDING JUNE 30, 1995

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

12/19	INTRODUCED		
1/02	FIRST READING		
1/02	REFERRED TO APPROPRIATIONS		
3/13	HEARING		
3/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/21	2ND READING PASSED	89	9
3/22	3RD READING PASSED	92	8
	TRANSMITTED TO SENATE		
3/23	FIRST READING		
3/23	REFERRED TO FINANCE & CLAIMS		
3/28	HEARING		
4/01	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/04	2ND READING CONCURRED	49	0
4/05	3RD READING CONCURRED	45	5
	RETURNED TO HOUSE WITH AMENDMENTS		
4/11	2ND READING AMENDMENTS CONCURRED	94	6
4/12	3RD READING AMENDMENTS CONCURRED	90	9
4/13	SIGNED BY SPEAKER		
4/18	SIGNED BY PRESIDENT		
4/18	TRANSMITTED TO GOVERNOR		

4/28 SIGNED WITH LINE ITEM VETO
CHAPTER NUMBER 587
EFFECTIVE DATE: 04/28/95

NOTE: THE GOVERNOR'S LINE ITEM VETO WAS SUSTAINED IN A POST-SESSION LEGISLATOR POLL. WITH 143 LEGISLATORS VOTING, 67 VOTED TO OVERRIDE THE LINE ITEM VETO AND 76 VOTED AGAINST AN OVERRIDE.

HB 4 INTRODUCED BY ZOOK

APPROPRIATE MONEY THAT WOULD USUALLY BE APPROPRIATED BY BUDGET AMENDMENT TO VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1995

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

12/22	INTRODUCED		
1/02	FIRST READING		
1/02	REFERRED TO APPROPRIATIONS		
2/10	HEARING		
2/28	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/03	2ND READING PASSED AS AMENDED	92	8
3/06	3RD READING PASSED	92	8
	TRANSMITTED TO SENATE		
3/07	FIRST READING		
3/07	REFERRED TO FINANCE & CLAIMS		
3/14	HEARING		
3/22	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/04	2ND READING CONCURRED AS AMENDED	49	0
4/05	3RD READING CONCURRED	45	5
	RETURNED TO HOUSE WITH AMENDMENTS		
4/11	2ND READING AMENDMENTS CONCURRED	88	11
4/12	3RD READING AMENDMENTS CONCURRED	90	9
4/13	SIGNED BY SPEAKER		
4/18	SIGNED BY PRESIDENT		
4/18	TRANSMITTED TO GOVERNOR		
4/25	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 511		
	EFFECTIVE DATE: 04/25/95		

HB 5 INTRODUCED BY BERGSAGEL

APPROPRIATE MONEY FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1997

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

12/19	INTRODUCED		
1/02	FIRST READING		
1/02	REFERRED TO APPROPRIATIONS		
3/15	HEARING		
3/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/21	2ND READING PASSED	90	9
3/22	3RD READING PASSED	89	11
	TRANSMITTED TO SENATE		
3/23	FIRST READING		
3/23	REFERRED TO FINANCE & CLAIMS		
4/03	HEARING		
4/04	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/06	2ND READING CONCURRED AS AMENDED	50	0
4/07	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE WITH AMENDMENTS		
4/10	2ND READING AMENDMENTS NOT CONCURRED	85	14

HOUSE BILL NO. 3

INTRODUCED BY COBB
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

IN THE HOUSE

DECEMBER 23, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
JANUARY 4, 1993	FIRST READING.
MARCH 16, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 17, 1993	PRINTING REPORT.
MARCH 18, 1993	SECOND READING, DO PASS AS AMENDED.
MARCH 19, 1993	ENGROSSING REPORT.
MARCH 24, 1993	THIRD READING, PASSED. AYES, 62; NOES, 37.
MARCH 25, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 26, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS. FIRST READING.
APRIL 12, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 13, 1993	SECOND READING, NOT CONCURRED IN.
APRIL 14, 1993	ON MOTION, ACTION OF PREVIOUS DAY RECONSIDERED, BILL PLACED ON SECOND READING. SECOND READING, CONCURRED IN AS AMENDED.
APRIL 15, 1993	THIRD READING, CONCURRED IN. AYES, 25; NOES, 24. RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 16, 1993

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 19, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

HOUSE BILL NO. 3

INTRODUCED BY COBB

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO VARIOUS
STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1993; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Time limits.** The appropriations
contained in [this act] are intended to provide for the cost of
only necessary and ordinary expenditures for fiscal year 1993. The
unspent balance of an appropriation reverts to the fund from which
it was appropriated.

NEW SECTION. **Section 2. Totals not appropriations.** The
totals shown in [this act] are for informational purposes only and
are not appropriations.

NEW SECTION. **Section 3. Appropriations.** The following money
is appropriated, subject to the terms and conditions of [this act]:

<u>Agency and Program</u>	<u>FY</u>	<u>Amount</u>	<u>Fund</u>
MONTANA SUPREME COURT			
Law Library	1993	\$37,712	General Fund
STATE AUDITOR			

1	Warrant Writing System	1993	155,000	General Fund
2	DEPARTMENT OF JUSTICE			
3	County Attorney Payroll	1993	35,000	General Fund
4	Transportation of Prisoners	1993	150,000	General Fund
5	Highway Patrol-retirements	1993	280,000	State Special
6	Highway Patrol-prisoners	1993	383,000	State Special
7	DEPARTMENT OF TRANSPORTATION			
8	Motor Pool	1993	593,500	Proprietary
9	DEPARTMENT OF REVENUE			
10	Property Assessment	1993	910,000	General Fund
11	Income Tax	1993	19,217	General Fund
12	STATE FUND			
13	Compensation and Medical Benefits	1993	18,741,000	Proprietary
14	DEPARTMENT OF MILITARY AFFAIRS			
15	Disaster and Emergency Services	1993	8,000	General Fund
16	Air National Guard	1993	14,352	General Fund
17	Veterans' Affairs Division	1993	1,800	General Fund
18	DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES			
19	Water Quality-subdivisions	1993	145,962	General Fund
20	DEPARTMENT OF LABOR AND INDUSTRY			
21	Employment Relations	1993	125,000	Proprietary
22	DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES			
23	TEAMS	1993	175,000	General Fund
24			325,000	Federal Special
25	Support Services Division	1993	77,279	General Fund
26			26,971	State Special

1			92,750	Federal Special
2	MEDS Contract	1993	65,000	General Fund
3			65,000	Federal Special
4	Nurse Aide Registry	1993	82,721	General Fund
5			82,721	Federal Special
6	AFDC Benefits	1993	1,069,723	General Fund
7			29,897	State Special
8			1,064,177	Federal Special
9	General Assistance	1993	368,072	General Fund
10	Medicaid Primary Care	1993	8,415,196	General Fund
11			1,638,000	State Special
12			18,900,058	Federal Special
13	FY92 Medicaid Primary Care	1993	1,008,795	General Fund
14			2,604,779	Federal Special
15	Day Care	1993	84,585	General Fund
16			145,543	Federal Special
17	Vocational Rehabilitation	1993	71,219	General Fund
18			(71,219)	Federal Special
19	DEPARTMENT OF FAMILY SERVICES			
20	Pine Hills School	1993	189,244	General Fund
21	Mountain View School	1993	15,000	General Fund
22	Foster Care	1993	1,218,171	General Fund
23	Inpatient Youth Psychiatric	1993	1,437,411	General Fund
24	Residential Youth Psychiatric	1993	379,252	General Fund
25	DEPARTMENT OF FISH, WILDLIFE, AND PARKS			
26	Enforcement Division-retirements	1993	64,000	State Special

1	DEPARTMENT OF STATE LANDS			
2	Forestry Division-firefighting	1993	1,303,097	General Fund
3	DEPARTMENT OF LIVESTOCK			
4	Meat and Poultry Inspection	1993	105,512	General Fund
5			105,512	Federal Special
6	DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES			
7	Corrections	1993	1,031,695	General Fund
8	Workers' Compensation Rates	1993	2,538,543	General Fund
9	BOARD OF PUBLIC EDUCATION			
10	Administration-lawsuits	1993	40,813	General Fund
11	COMMISSIONER OF HIGHER EDUCATION			
12	Student Assistance-WICHE	1993	11,617	General Fund
13	SCHOOL FOR THE DEAF AND BLIND			
14	Workers' Comp Rate Increase	1993	13,043	General Fund
15	Add 2.00 + FTE Interpreters	1993	52,400	General Fund
16				
17	STATEWIDE TOTALS			
18	<u>Fund</u>	<u>FY</u>	<u>Amount</u>	
19	General Fund	1993	\$22,329,931	
20	State Special Revenue	1993	2,421,868	
21	Federal Special Revenue	1993	23,314,321	
22	Proprietary and Other	1993	19,459,500	
23	Total	1993	\$67,525,620	

24 NEW SECTION. **Section 4. Effective date.** [This act] is

25 effective on passage and approval.

- END -

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 3

INTRODUCED BY COBB

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO VARIOUS
STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1993;
APPROPRIATING MONEY TO THE DEPARTMENT OF FAMILY SERVICES FOR FISCAL
YEAR 1994; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Time limits. The EXCEPT AS PROVIDED
IN [SECTION 4], THE appropriations contained in [this act] are
intended to provide for the cost of only necessary and ordinary
expenditures for fiscal year 1993. The unspent balance of an
appropriation reverts to the fund from which it was appropriated.

NEW SECTION. Section 2. Totals not appropriations. The
totals shown in [this act] are for informational purposes only and
are not appropriations.

NEW SECTION. Section 3. Appropriations. (1) The following
money is appropriated, subject to the terms and conditions of [this
act]:

<u>Agency and Program</u>	<u>FY</u>	<u>Amount</u>	<u>Fund</u>
<u>MONTANA SUPREME COURT</u>			
~~Law Library~~	~~1993~~	~~\$37,712~~	~~General Fund~~

GOVERNOR'S OFFICE

<u>TERMINATION PAY-PERSONAL STAFF 1993</u>	<u>\$71,046</u>	<u>GENERAL FUND</u>
	<u>11,180</u>	<u>FEDERAL SPECIAL</u>

MENTAL DISABILITIES BOARD

<u>OF VISITORS</u>	<u>1993</u>	<u>27,000</u>	<u>GENERAL FUND</u>
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STATE AUDITOR

Warrant Writing System	1993	155,000	General Fund
<u>STATE PAYROLL-DATA PROCESSING 1993</u>		<u>45,620</u>	<u>GENERAL FUND</u>
<u>JUDGMENTS-PERSONAL SERVICES 1993</u>		<u>61,250</u>	<u>GENERAL FUND</u>
<u>TERMINATION PAY-PERSONAL STAFF 1993</u>		<u>34,672</u>	<u>GENERAL FUND</u>
<u>PERSONAL SERVICES SHORTFALL 1993</u>		<u>40,712</u>	<u>GENERAL FUND</u>

DEPARTMENT OF JUSTICE

County Attorney Payroll	1993	35,000	General Fund
Transportation of Prisoners	1993	150,000	General Fund
Highway Patrol-retirements	1993	~~280,000~~	State Special
		<u>380,000</u>	
Highway Patrol-prisoners	1993	~~383,000~~	State Special
		<u>539,000</u>	

DEPARTMENT OF TRANSPORTATION

Motor Pool	1993	593,500	Proprietary
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DEPARTMENT OF REVENUE

Property Assessment	1993	910,000	General Fund
Income Tax	1993	19,217	General Fund

DEPARTMENT OF ADMINISTRATION

<u>RISK MGT/TORT DEFENSE-LEGAL</u>			
<u>COSTS</u>	<u>1993</u>	<u>450,000</u>	<u>PROPRIETARY</u>

53rd Legislature

HB 0003/02

1	STATE FUND			
2	Compensation and Medical Benefits	1993	18,741,000	Proprietary
3			<u>15,000,000</u>	
4	DEPARTMENT OF MILITARY AFFAIRS			
5	Disaster and Emergency Services	1993	8,000	General Fund
6	Air National Guard	1993	~~14,352~~	General Fund
7			<u>4,000</u>	
8	Veterans' Affairs Division	1993	1,800	General Fund
9	DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES			
10	Water Quality-subdivisions	1993	145,962	General Fund
11	DEPARTMENT OF LABOR AND INDUSTRY			
12	Employment Relations	1993	125,000	Proprietary
13	<u>DISLOCATED WORKER PROGRAM</u>	<u>1993</u>	<u>500,000</u>	<u>STATE SPECIAL</u>
14	DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES			
15	TEAMS	1993	175,000	General Fund
16			325,000	Federal Special
17	Support Services Division	1993	~~77,279~~	General Fund
18			<u>365,779</u>	
19			26,971	State Special
20			92,750	Federal Special
21	MEDS Contract	1993	65,000	General Fund
22			65,000	Federal Special
23	~~Nurse Aide Registry~~	~~1993~~	~~82,721~~	~~General Fund~~
24			~~82,721~~	~~Federal Special~~
25	AFDC Benefits	1993	1,069,723	General Fund
26			29,897	State Special

53rd Legislature

HB 0003/02

1			1,064,177	Federal Special
2	General Assistance	1993	368,072	General Fund
3	<u>EXTEND LEGAL SERVICES CONTRACT 1993</u>		<u>50,000</u>	<u>GENERAL FUND</u>
4	Medicaid Primary Care	1993	8,415,196	General Fund
5			1,638,000	State Special
6			18,900,058	Federal Special
7	FY92 Medicaid Primary Care	1993	1,008,795	General Fund
8			2,604,779	Federal Special
9	<u>NURSING HOME REIMBURSEMENT</u>	<u>1993</u>	<u>981,257</u>	<u>GENERAL FUND</u>
10			<u>2,829,589</u>	<u>FEDERAL FUNDS</u>
11	<u>FEDERAL MATCH-DFS YOUTH</u>			
12	<u>PSYCH BENEFITS</u>	<u>1993</u>	<u>11,371,474</u>	<u>FEDERAL FUNDS</u>
13	Day Care	1993	84,585	General Fund
14			145,543	Federal Special
15	Vocational Rehabilitation	1993	71,219	General Fund
16			(71,219)	Federal Special
17	DEPARTMENT OF FAMILY SERVICES			
18	Pine Hills School	1993	189,244	General Fund
19	Mountain View School	1993	15,000	General Fund
20	Foster Care	1993	~~1,218,171~~	General Fund
21			<u>2,218,171</u>	
22	Inpatient Youth Psychiatric	1993	~~1,437,411~~	General Fund
23			<u>2,027,411</u>	
24	Residential Youth Psychiatric	1993	~~379,252~~	General Fund
25			<u>2,590,252</u>	
26	DEPARTMENT OF FISH, WILDLIFE, AND PARKS			

1	~~Enforcement Division retirements~~	~~1993~~	~~64,000~~	~~State Special~~
2	<u>ENFORCEMENT DIVISION-FLSA</u>	<u>1993</u>	<u>46,480</u>	<u>STATE SPECIAL</u>
3	DEPARTMENT OF STATE LANDS			
4	Forestry Division-firefighting	1993	4,303,097	General Fund
5			<u>1,370,537</u>	
6	DEPARTMENT OF LIVESTOCK			
7	Meat and Poultry Inspection	1993	105,512	General Fund
8			105,512	Federal Special
9	DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES			
10	Corrections	1993	~~4,031,696~~	General Fund
11			<u>1,948,152</u>	
12	Workers' Compensation Rates	1993	~~2,538,543~~	General Fund
13			<u>3,042,106</u>	
14	BOARD OF PUBLIC EDUCATION			
15	Administration-lawsuits	1993	~~40,813~~	General Fund
16			<u>35,164</u>	
17		<u>1993</u>	<u>5,649</u>	<u>STATE SPECIAL</u>
18	COMMISSIONER OF HIGHER EDUCATION			
19	~~Student Assistance-WICHE~~	~~1993~~	~~11,617~~	~~General Fund~~
20	SCHOOL FOR THE DEAF AND BLIND			
21	Workers' Comp Rate Increase	1993	13,043	General Fund
22	Add 2.00+ FTE Interpreters	1993	~~62,400~~	General Fund
23			<u>26,200</u>	
24	<u>OFFICE OF PUBLIC INSTRUCTION</u>			
25	<u>LEGAL FEES</u>	<u>1993</u>	<u>7,500</u>	<u>GENERAL FUND</u>
26	<u>YELLOWSTONE TREATMENT CENTER</u>	<u>1993</u>	<u>258,626</u>	<u>GENERAL FUND</u>

1	<u>BUTTE VOCATIONAL-TECHNICAL CENTER</u>			
2	<u>SEVERENCE PAY</u>	<u>1993</u>	<u>22,637</u>	<u>GENERAL FUND</u>
3	<u>MISSOULA VOCATIONAL-TECHNICAL CENTER</u>			
4	<u>SEVERENCE PAY</u>	<u>1993</u>	<u>44,644</u>	<u>GENERAL FUND</u>
5				
6	STATEWIDE TOTALS			
7	<u>Fund</u>	<u>FY</u>	<u>Amount</u>	
8	General Fund	1993	\$22,329,931	
9	State Special Revenue	1993	2,421,868	
10	Federal Special Revenue	1993	23,314,321	
11	Proprietary and Other	1993	19,459,500	
12	Total	1993	\$67,525,620	

(2) THE APPROPRIATION IN SUBSECTION (1) FOR THE PAYOUT OF ACCRUED EMPLOYEE LEAVE FOR THE BOARD OF VISITORS IS CONTINGENT UPON THE ELIMINATION OF THE MENTAL DISABILITIES BOARD OF VISITORS PROGRAM.

NEW SECTION. Section 4. APPROPRIATION FOR DEPARTMENT OF FAMILY SERVICES FOR FISCAL YEAR 1994. AT THE END OF FISCAL YEAR 1993, ANY UNEXPENDED FUNDS IN THE APPROPRIATIONS MADE TO THE DEPARTMENT OF FAMILY SERVICES FOR INPATIENT YOUTH PSYCHIATRIC SERVICES AND RESIDENTIAL YOUTH PSYCHIATRIC SERVICES ARE REAPPROPRIATED FOR FISCAL YEAR 1994.

NEW SECTION. Section 5. Effective date. [This act] is effective on passage and approval.

-END-

1 HOUSE BILL NO. 3
 2 INTRODUCED BY COBB
 3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO VARIOUS
 6 STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1993;
 7 APPROPRIATING MONEY TO THE DEPARTMENT OF FAMILY SERVICES FOR FISCAL
 8 YEAR 1994; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 NEW SECTION. Section 1. Time limits. The EXCEPT AS PROVIDED
 12 IN [SECTION 4], THE appropriations contained in [this act] are
 13 intended to provide for the cost of only necessary and ordinary
 14 expenditures for fiscal year 1993. The unspent balance of an
 15 appropriation reverts to the fund from which it was appropriated.
 16 NEW SECTION. Section 2. Totals not appropriations. The
 17 totals shown in [this act] are for informational purposes only and
 18 are not appropriations.
 19 NEW SECTION. Section 3. Appropriations. (1) The following
 20 money is appropriated, subject to the terms and conditions of [this
 21 act]:
 22

Agency and Program	FY	Amount	Fund
MONTANA SUPREME COURT			
Law Library	1993	\$37,712	General Fund

 24

1 GOVERNOR'S OFFICE
 2 TERMINATION PAY-PERSONAL STAFF 1993 \$71,046 GENERAL FUND
 3 11,180 FEDERAL SPECIAL
 4 MENTAL DISABILITIES BOARD
 5 OF VISITORS 1993 27,000 GENERAL FUND
 6 STATE AUDITOR
 7 Warrant Writing System 1993 155,000 General Fund
 8 STATE PAYROLL-DATA PROCESSING 1993 45,620 GENERAL FUND
 9 JUDGMENTS-PERSONAL SERVICES 1993 61,250 GENERAL FUND
 10 TERMINATION PAY-PERSONAL STAFF 1993 34,672 GENERAL FUND
 11 PERSONAL SERVICES SHORTFALL 1993 40,712 GENERAL FUND
 12 DEPARTMENT OF JUSTICE
 13 County Attorney Payroll 1993 35,000 General Fund
 14 Transportation of Prisoners 1993 150,000 General Fund
 15 Highway Patrol-retirements 1993 290,000 State Special
 16 380,000
 17 Highway Patrol-prisoners 1993 383,000 State Special
 18 539,000
 19 DEPARTMENT OF TRANSPORTATION
 20 Motor Pool 1993 593,500 Proprietary
 21 DEPARTMENT OF REVENUE
 22 Property Assessment 1993 910,000 General Fund
 23 Income Tax 1993 19,217 General Fund
 24 DEPARTMENT OF ADMINISTRATION
 25 RISK MGT/TORT DEFENSE-LEGAL
 26 COSTS 1993 450,000 PROPRIETARY

53rd Legislature

HB 0003/03

1	STATE FUND			
2	Compensation and Medical Benefits	1993	18,741,000	Proprietary
3			15,000,000	
4	DEPARTMENT OF MILITARY AFFAIRS			
5	Disaster and Emergency Services	1993	8,000	General Fund
6	Air National Guard	1993	14,352	General Fund
7			4,000	
8	Veterans' Affairs Division	1993	1,800	General Fund
9	DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES			
10	Water Quality-subdivisions	1993	145,962	General Fund
11	DEPARTMENT OF LABOR AND INDUSTRY			
12	Employment Relations	1993	125,000	Proprietary
13	<u>DISLOCATED WORKER PROGRAM</u>	1993	500,000	STATE SPECIAL
14	DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES			
15	TEAMS	1993	175,000	General Fund
16			325,000	Federal Special
17	Support Services Division	1993	27,279	General Fund
18			365,779	
19			26,971	State Special
20			92,750	Federal Special
21	MEDS Contract	1993	65,000	General Fund
22			65,000	Federal Special
23	~~Nurse Aide Registry~~	~~1993~~	~~82,721~~	~~General Fund~~
24			~~82,721~~	~~Federal Special~~
25	AFDC Benefits	1993	1,089,723	General Fund
26			29,897	State Special

53rd Legislature

HB 0003/03

1			1,064,177	Federal Special
2	General Assistance	1993	368,072	General Fund
3			259,526	
4	<u>EXTEND LEGAL SERVICES CONTRACT 1993</u>		50,000	GENERAL FUND
5	Medicaid Primary Care	1993	8,415,196	General Fund
6			7,890,742	
7			1,638,000	State Special
8			18,900,058	Federal Special
9	FY92 Medicaid Primary Care	1993	1,008,795	General Fund
10			2,604,779	Federal Special
11	<u>NURSING HOME REIMBURSEMENT</u>	1993	981,257	GENERAL FUND
12			2,829,589	FEDERAL FUNDS
13	<u>FEDERAL MATCH-DFS YOUTH</u>			
14	<u>PSYCH BENEFIT</u>	1993	11,371,474	FEDERAL FUNDS
15	Day Care	1993	84,585	General Fund
16			145,543	Federal Special
17	Vocational Rehabilitation	1993	71,219	General Fund
18			(71,219)	Federal Special
19	DEPARTMENT OF FAMILY SERVICES			
20	Pine Hills School	1993	189,244	General Fund
21	Mountain View School	1993	15,000	General Fund
22	Foster Care	1993	1,218,171	General Fund
23			2,218,171	
24	Inpatient Youth Psychiatric	1993	1,437,411	General Fund
25			2,027,411	
26	Residential Youth Psychiatric	1993	379,262	General Fund

53rd Legislature

HB 0003/03

1			<u>2,590,252</u>	
2	DEPARTMENT OF FISH, WILDLIFE, AND PARKS			
3	~~Enforcement Division-retirements~~ 1993	~~64,000~~	~~State Special~~	
4	ENFORCEMENT DIVISION-FLSA 1993	<u>46,480</u>	STATE SPECIAL	
5	DEPARTMENT OF STATE LANDS			
6	Forestry Division-firefighting 1993	<u>1,303,087</u>	General Fund	
7		<u>1,370,537</u>		
8	DEPARTMENT OF LIVESTOCK			
9	Meat and Poultry Inspection 1993	<u>105,512</u>	General Fund	
10		<u>105,512</u>	Federal Special	
11	DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES			
12	Corrections 1993	<u>1,031,696</u>	General Fund	
13		<u>1,948,152</u>		
14	Workers' Compensation Rates 1993	<u>2,528,543</u>	General Fund	
15		<u>3,042,106</u>		
16	BOARD OF PUBLIC EDUCATION			
17	Administration-lawsuits 1993	<u>40,813</u>	General Fund	
18		<u>35,164</u>		
19	1993	<u>5,649</u>	STATE SPECIAL	
20	COMMISSIONER OF HIGHER EDUCATION			
21	~~Student Assistance-WICHE~~ 1993	~~11,617~~	~~General Fund~~	
22	SCHOOL FOR THE DEAF AND BLIND			
23	Workers' Comp Rate Increase 1993	<u>13,043</u>	General Fund	
24	Add 2.00+ FTE Interpreters 1993	<u>62,409</u>	General Fund	
25		<u>26,200</u>		
26	OFFICE OF PUBLIC INSTRUCTION			

53rd Legislature

HB 0003/03

1	LEGAL FEES 1993	<u>7,500</u>	GENERAL FUND
2	YELLOWSTONE TREATMENT CENTER 1993	<u>258,626</u>	GENERAL FUND
3	BUTTE VOCATIONAL-TECHNICAL CENTER		
4	SEVERANCE PAY 1993	<u>22,637</u>	GENERAL FUND
5	MISSOULA VOCATIONAL-TECHNICAL CENTER		
6	SEVERANCE PAY 1993	<u>44,644</u>	GENERAL FUND
7			
8	STATEWIDE TOTALS		
9	Fund FY Amount		
10	General Fund 1993	<u>\$22,320,931</u>	
11		<u>\$27,645,104</u>	
12	State Special Revenue 1993	<u>2,431,868</u>	
13		<u>3,165,997</u>	
14	Federal Special Revenue 1993	<u>23,214,321</u>	
15		<u>37,443,843</u>	
16	Proprietary and Other 1993	<u>18,459,500</u>	
17		<u>16,188,500</u>	
18	Total 1993	<u>\$67,626,620</u>	
19		<u>\$84,423,444</u>	

(2) THE APPROPRIATION IN SUBSECTION (1) FOR THE PAYOUT OF ACCRUED EMPLOYEE LEAVE FOR THE BOARD OF VISITORS IS CONTINGENT UPON THE ELIMINATION OF THE MENTAL DISABILITIES BOARD OF VISITORS PROGRAM.

NEW SECTION. Section 4. APPROPRIATION FOR DEPARTMENT OF FAMILY SERVICES FOR FISCAL YEAR 1994. AT THE END OF FISCAL YEAR

1 1993. ANY UNEXPENDED FUNDS IN THE APPROPRIATIONS MADE TO THE
2 DEPARTMENT OF FAMILY SERVICES FOR INPATIENT YOUTH PSYCHIATRIC
3 SERVICES AND RESIDENTIAL YOUTH PSYCHIATRIC SERVICES ARE
4 REAPPROPRIATED FOR FISCAL YEAR 1994.

5 NEW SECTION. Section 5. AGENCY NOT TO RECORD CERTAIN GENERAL
6 FUND ENCUMBRANCES. AN AGENCY, AS DEFINED IN 17-7-102(2), THAT
7 RECEIVES A GENERAL FUND SUPPLEMENTAL APPROPRIATION IN [THIS ACT]
8 FOR FISCAL YEAR 1992-93 MAY NOT RECORD GENERAL FUND ENCUMBRANCES
9 THAT ARE REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BE
10 REPORTED AS A RESERVATION OF FUND BALANCE AND THAT ARE COMMONLY
11 KNOWN AS "A" ACCRUALS AS EXPENDITURES.

12 NEW SECTION. Section 6. Effective date. [This act] is
13 effective on passage and approval.

14 -END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 12, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 3 (third reading copy -- blue), respectfully report that House Bill No. 3 be amended as follows and as so amended be concurred in.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Page 1, line 7.

Following: "SERVICES"

Insert: "AND THE DEPARTMENT OF MILITARY AFFAIRS"

2. Page 2.

Strike: lines 19-20 in their entirety

3. Page 3, line 12.

Strike: "125,000"

Insert: "200,000"

4. Page 5, line 11.

Following: line 10

Insert: "DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Board of Water Well Contractors 1993 3,290 State
Special"

5. Page 6, line 25.

Following: "SERVICES"

Insert: "and department of military affairs"

6. Page 7, line 3.

Following: "PSYCHIATRIC SERVICES"

Insert: "and any unexpended funds in the appropriation to the
department of military affairs for disaster and emergency
services"

7. Page 7, line 11.

Following: "EXPENDITURES"

Insert: ", with the exception of the department of military
affairs for repair and maintenance contracts"

-END-

AK
Amd. Coord.
Sec. of Senate

Jacobson
Senator Carrying Bill

SENATE

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 14, 1993 8:46 am

Mr. Chairman: I move to amend House Bill No. 3 (third reading copy -- blue).

ADOPT

REJECT

Signed: _____

Judy Jacobson
Senator Judy Jacobson

That such amendments read:

1. Page 1, line 7.

Following: "SERVICES"

Insert: "AND THE SECRETARY OF STATE'S OFFICE"

2. Page 2, line 6.

Following: line 5

Insert: "SECRETARY OF STATE

SB235 Special Election 1993 846,156 General Fund"

3. Page 6, line 24.

Following: line 23

Insert: "(3) The appropriation in subsection (1) for the June, 1993, special election costs in the Secretary of State's Office is contingent on the passage and approval of Senate Bill No. 235."

4. Page 6, line 25.

Following: "SERVICES"

Insert: "and the Secretary of State's Office"

5. Page 7, line 3.

Following: "Services"

Insert: "and any unexpended funds in the appropriation made to the Secretary of State's Office for the costs of the June, 1993, special election"

-END-

HB 3

SENATE

HOUSE BILL NO. 3

INTRODUCED BY COBB

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1993; APPROPRIATING MONEY TO THE DEPARTMENT OF FAMILY SERVICES, THE SECRETARY OF STATE'S OFFICE, AND THE DEPARTMENT OF MILITARY AFFAIRS FOR FISCAL YEAR 1994; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Time limits. ~~The~~ EXCEPT AS PROVIDED IN [SECTION 4], THE appropriations contained in [this act] are intended to provide for the cost of only necessary and ordinary expenditures for fiscal year 1993. The unspent balance of an appropriation reverts to the fund from which it was appropriated.

NEW SECTION. Section 2. Totals not appropriations. The totals shown in [this act] are for informational purposes only and are not appropriations.

NEW SECTION. Section 3. Appropriations. (1) The following money is appropriated, subject to the terms and conditions of [this act]:

<u>Agency and Program</u>	<u>FY</u>	<u>Amount</u>	<u>Fund</u>
MONTANA SUPREME COURT			

1	~~Law Library~~	~~1993~~	~~\$37,712~~	~~General Fund~~
2	<u>GOVERNOR'S OFFICE</u>			
3	<u>TERMINATION PAY-PERSONAL STAFF</u>	<u>1993</u>	<u>\$71,046</u>	<u>GENERAL FUND</u>
4			<u>11,180</u>	<u>FEDERAL SPECIAL</u>
5	<u>MENTAL DISABILITIES BOARD</u>			
6	<u>OF VISITORS</u>	<u>1993</u>	<u>27,000</u>	<u>GENERAL FUND</u>
7	<u>SECRETARY OF STATE</u>			
8	<u>SB 235 SPECIAL ELECTION</u>	<u>1993</u>	<u>846,156</u>	<u>GENERAL FUND</u>
9	STATE AUDITOR			
10	Warrant Writing System	1993	155,000	General Fund
11	<u>STATE PAYROLL-DATA PROCESSING</u>	<u>1993</u>	<u>45,620</u>	<u>GENERAL FUND</u>
12	<u>JUDGMENTS-PERSONAL SERVICES</u>	<u>1993</u>	<u>61,250</u>	<u>GENERAL FUND</u>
13	<u>TERMINATION PAY-PERSONAL STAFF</u>	<u>1993</u>	<u>34,672</u>	<u>GENERAL FUND</u>
14	<u>PERSONAL SERVICES SHORTFALL</u>	<u>1993</u>	<u>40,712</u>	<u>GENERAL FUND</u>
15	DEPARTMENT OF JUSTICE			
16	County Attorney Payroll	1993	35,000	General Fund
17	Transportation of Prisoners	1993	150,000	General Fund
18	Highway Patrol-retirements	1993	~~280,000~~	State Special
19			<u>380,000</u>	
20	Highway Patrol-prisoners	1993	~~383,000~~	State Special
21			<u>539,000</u>	
22	<u>DEPARTMENT OF TRANSPORTATION</u>			
23	~~Motor Pool~~	~~1993~~	~~593,500~~	~~Proprietary~~
24	DEPARTMENT OF REVENUE			
25	Property Assessment	1993	910,000	General Fund
26	Income Tax	1993	19,217	General Fund

1	<u>DEPARTMENT OF ADMINISTRATION</u>			
2	<u>RISK MGT/TORT DEFENSE-LEGAL</u>			
3	<u>COSTS</u>	<u>1993</u>	<u>450,000</u>	<u>PROPRIETARY</u>
4	STATE FUND			
5	Compensation and Medical Benefits	1993	~~18,741,000~~	Proprietary
6			<u>15,000,000</u>	
7	DEPARTMENT OF MILITARY AFFAIRS			
8	Disaster and Emergency Services	1993	8,000	General Fund
9	Air National Guard	1993	~~14,352~~	General Fund
10			<u>4,000</u>	
11	Veterans' Affairs Division	1993	1,800	General Fund
12	DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES			
13	Water Quality-subdivisions	1993	145,962	General Fund
14	DEPARTMENT OF LABOR AND INDUSTRY			
15	Employment Relations	1993	~~125,000~~	Proprietary
16			<u>200,000</u>	
17	<u>DISLOCATED WORKER PROGRAM</u>	<u>1993</u>	<u>500,000</u>	<u>STATE SPECIAL</u>
18	DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES			
19	TEAMS	1993	175,000	General Fund
20			325,000	Federal Special
21	Support Services Division	1993	~~77,279~~	General Fund
22			<u>365,779</u>	
23			26,971	State Special
24			92,750	Federal Special
25	MEDS Contract	1993	65,000	General Fund
26			65,000	Federal Special

1	~~Nurse Aide Registry~~	~~1993~~	~~82,721~~	~~General Fund~~
2			~~82,721~~	~~Federal Special~~
3	AFDC Benefits	1993	1,069,723	General Fund
4			29,897	State Special
5			1,064,177	Federal Special
6	General Assistance	1993	~~368,072~~	General Fund
7			<u>259,526</u>	
8	<u>EXTEND LEGAL SERVICES CONTRACT 1993</u>		<u>50,000</u>	<u>GENERAL FUND</u>
9	Medicaid Primary Care	1993	~~8,415,186~~	General Fund
10			<u>7,890,742</u>	
11			1,638,000	State Special
12			18,900,058	Federal Special
13	FY92 Medicaid Primary Care	1993	1,008,795	General Fund
14			2,604,779	Federal Special
15	<u>NURSING HOME REIMBURSEMENT</u>	<u>1993</u>	<u>981,257</u>	<u>GENERAL FUND</u>
16			<u>2,829,589</u>	<u>FEDERAL FUNDS</u>
17	<u>FEDERAL MATCH-DFS YOUTH</u>			
18	<u>PSYCH BENEFITS</u>	<u>1993</u>	<u>11,371,474</u>	<u>FEDERAL FUNDS</u>
19	Day Care	1993	84,585	General Fund
20			145,543	Federal Special
21	Vocational Rehabilitation	1993	71,219	General Fund
22			(71,219)	Federal Special
23	DEPARTMENT OF FAMILY SERVICES			
24	Pine Hills School	1993	189,244	General Fund
25	Mountain View School	1993	15,000	General Fund
26	Foster Care	1993	~~1,218,171~~	General Fund

1			<u>2,218,171</u>	
2	Inpatient Youth Psychiatric	1993	1,437,444	General Fund
3			<u>2,027,411</u>	
4	Residential Youth Psychiatric	1993	379,252	General Fund
5			<u>2,590,252</u>	
6	DEPARTMENT OF FISH, WILDLIFE, AND PARKS			
7	~~Enforcement Division retirements~~	~~1993~~	~~64,000~~	~~State Special~~
8	<u>ENFORCEMENT DIVISION-FLSA</u>	<u>1993</u>	<u>46,480</u>	<u>STATE SPECIAL</u>
9	DEPARTMENT OF STATE LANDS			
10	Forestry Division-firefighting	1993	1,303,087	General Fund
11			<u>1,370,537</u>	
12	DEPARTMENT OF LIVESTOCK			
13	Meat and Poultry Inspection	1993	105,512	General Fund
14			105,512	Federal Special
15	<u>DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION</u>			
16	<u>BOARD OF WATER WELL</u>			
17	<u>CONTRACTORS</u>	<u>1993</u>	<u>3,290</u>	<u>STATE SPECIAL</u>
18	DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES			
19	Corrections	1993	1,031,695	General Fund
20			<u>1,948,152</u>	
21	Workers' Compensation Rates	1993	2,538,543	General Fund
22			<u>3,042,106</u>	
23	BOARD OF PUBLIC EDUCATION			
24	Administration-lawsuits	1993	40,813	General Fund
25			<u>35,164</u>	
26		<u>1993</u>	<u>5,649</u>	<u>STATE SPECIAL</u>

1 **COMMISSIONER OF HIGHER EDUCATION**

2 ~~Student Assistance WICHE~~ 1993 11,617 General Fund

3 **SCHOOL FOR THE DEAF AND BLIND**

4 Workers' Comp Rate Increase 1993 13,043 General Fund

5 Add 2.00 + FTE Interpreters 1993 52,400 General Fund

6 26,200

7 **OFFICE OF PUBLIC INSTRUCTION**

8 LEGAL FEES 1993 7,500 GENERAL FUND

9 YELLOWSTONE TREATMENT CENTER 1993 258,626 GENERAL FUND

10 **BUTTE VOCATIONAL-TECHNICAL CENTER**

11 SEVERANCE PAY 1993 22,637 GENERAL FUND

12 **MISSOULA VOCATIONAL-TECHNICAL CENTER**

13 SEVERANCE PAY 1993 44,644 GENERAL FUND

15 **STATEWIDE TOTALS**

16	<u>Fund</u>	<u>FY</u>	<u>Amount</u>
17	General Fund	1993	~~422,329,931~~
18			<u>27,645,104</u>
19	State Special Revenue	1993	<u>2,421,868</u>
20			<u>3,165,997</u>
21	Federal Special Revenue	1993	<u>23,314,321</u>
22			<u>37,443,843</u>
23	Proprietary and Other	1993	<u>19,459,500</u>
24			<u>16,168,500</u>
25	Total	1993	~~467,525,620~~
26			<u>84,423,444</u>

1 (2) THE APPROPRIATION IN SUBSECTION (1) FOR THE PAYOUT OF
2 ACCRUED EMPLOYEE LEAVE FOR THE BOARD OF VISITORS IS CONTINGENT UPON
3 THE ELIMINATION OF THE MENTAL DISABILITIES BOARD OF VISITORS
4 PROGRAM.

5 (3) THE APPROPRIATION IN SUBSECTION (1) FOR THE JUNE 1993
6 SPECIAL ELECTION COSTS IN THE SECRETARY OF STATE'S OFFICE IS
7 CONTINGENT ON THE PASSAGE AND APPROVAL OF SENATE BILL NO. 235.

8 NEW SECTION. Section 4. APPROPRIATION FOR DEPARTMENT OF
9 FAMILY SERVICES, SECRETARY OF STATE'S OFFICE, AND DEPARTMENT OF
10 MILITARY AFFAIRS FOR FISCAL YEAR 1994. AT THE END OF FISCAL YEAR
11 1993, ANY UNEXPENDED FUNDS IN THE APPROPRIATIONS MADE TO THE
12 DEPARTMENT OF FAMILY SERVICES FOR INPATIENT YOUTH PSYCHIATRIC
13 SERVICES AND RESIDENTIAL YOUTH PSYCHIATRIC SERVICES, ANY UNEXPENDED
14 FUNDS IN THE APPROPRIATION MADE TO THE SECRETARY OF STATE'S OFFICE
15 FOR THE COSTS OF THE JUNE 1993 SPECIAL ELECTION, AND ANY UNEXPENDED
16 FUNDS IN THE APPROPRIATION TO THE DEPARTMENT OF MILITARY AFFAIRS
17 FOR DISASTER AND EMERGENCY SERVICES ARE REAPPROPRIATED FOR FISCAL
18 YEAR 1994.

19 NEW SECTION. Section 5. AGENCY NOT TO RECORD CERTAIN GENERAL
20 FUND ENCUMBRANCES. AN AGENCY, AS DEFINED IN 17-7-102(2), THAT
21 RECEIVES A GENERAL FUND SUPPLEMENTAL APPROPRIATION IN [THIS ACT]
22 FOR FISCAL YEAR 1992-93 MAY NOT RECORD GENERAL FUND ENCUMBRANCES
23 THAT ARE REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BE
24 REPORTED AS A RESERVATION OF FUND BALANCE AND THAT ARE COMMONLY
25 KNOWN AS "A" ACCRUALS AS EXPENDITURES, WITH THE EXCEPTION OF THE

1 DEPARTMENT OF MILITARY AFFAIRS FOR REPAIR AND MAINTENANCE
2 CONTRACTS.

3 NEW SECTION. Section 6. Effective date. [This act] is
4 effective on passage and approval.

5 -END-

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on March 13, 1995, at
10:00 a.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quillici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Gary Feland (R)
Rep. Marjorie I. Fisher (R)
Rep. Don Holland (R)
Rep. Royal C. Johnson (R)
Rep. John Johnson (D)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Marjorie Peterson, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 3, HB 192, HB 268, HB 471, HB 485,
HB 550
Executive Action: DO PASS AS AMENDED: HB 3, HB 8, HB 268,
HB 279, HB 390, HB 485, HB 550;
HB 192 DO PASS, HB 222 DO PASS,
HB 512 DO PASS, HB 267 TABLED

HEARING ON HB 192Opening Statement by Sponsor:

REP. HAL HARPER, HD 52, Helena, opened the hearing on HB 192 which has already had two hearings and was re-referred to Appropriations. This bill authorizes state agencies to work with local watershed groups and removes the necessary approval by the Board of Natural Resources for the state water plan. The bill also creates a special license plate to fund water resources education. REP. HARPER said the license plates would provide about \$15,000 a year to help local watershed workgroups. The state water plan efforts began in Montana in 1960s and there is renewed interest in it. This bill would correct public criticism with the Board of Natural Resources by not allowing the Board to amend, extend or otherwise change the state water plan. The bill encourages local communities to make their own decisions on water issues in their areas if they so require.

Questions From Committee Members and Responses:

REP. ROYAL JOHNSON, HD 10, Billings, asked how this bill would be funded. REP. HARPER said fees from the special license plates would provide funding for this bill. There is currently no funding available for this purpose other than the plates. The Director of DNRC has agreed that it is in the best interest of the local communities to make their own decisions and to form local watershed groups. Oversight could be performed by a coordination group at DNRC. REP. JOHNSON asked how it would be coordinated. REP. HARPER said one important aspect of the bill is for all the groups to coordinate and work together. Local communities have voiced their opinions that they want a chance to work together. The department is not now designated as the lead agency.

REP. GARY FELAND, HD 88, Shelby, asked if the county treasurers had testified about the addition of another special license plate. REP. HARPER said the county treasurers did not like that part of the bill.

REP. EDWARD GRADY, HD 55, Canyon Creek, asked what would happen to the bill if the funding was removed and the license plates were taken out of the bill. REP. HARPER said the license plates were included because they couldn't find another way to fund it. He also stated that the Governor wanted to use license plates to further children's interests in statewide water programs. He has also suggested having children design the plates.

REP. MATT MCCANN, HD 92, Harlem, asked what potential problems might occur if there were no lead agency. REP. HARPER said the water policy committee studied instream flows in parts of Montana and recommended certain options to local communities. The local

people decided they would be interested in making those decisions in their respective areas. None of the state agencies have trouble with this bill. They like the idea of local communities getting together and creating a working relationship with a lead agency. **REP. HARPER** also recommended that the lead organization could even possibly be a local watershed workgroup.

Closing by Sponsor:

REP. HARPER submitted testimony from another proponent, **Mark Simonich**, Director, DNRC. **EXHIBIT 1.**

{Tape: 1; Side: A; Approx. Counter: 32.7.}

HEARING ON HB 550

Opening Statement by Sponsor:

REP. BETTY LOU KASTEN, HD 99, Brockway, opened the hearing on HB 550 which provides improved taxpayer services to businesses by streamlining and simplifying wage-based reporting by sending those reports to one agency instead of two. A proposal will be given to the 1997 Legislature on the feasibility of integrating employer wage reporting and related functions of the two departments, Labor and Industry (L&I) and Revenue (DOR). **REP. KASTEN** is also proposing by amendment to change the funding from the general fund to the unemployment insurance administrative tax. She said the old fund liability tax is a good place to get a few dollars. The Department of Revenue has offered testimony that they are not using a lot of the old fund liability at this time. **EXHIBIT 2.**

Questions From Committee Members and Responses:

REP. MIKE KADAS, HD 66, Missoula, wanted justification for the \$250,000. **REP. KASTEN** said the two systems they want to integrate are such huge data systems that there is a real fear it could be done wrong. A complete and thorough study would be finalized and reviewed before any changes are considered.

Rod Sager, Administrator, Unemployment Insurance Division, Labor and Industry, said the systems are fairly complex. The large mainframe is an accounting tracking system and the system at the Department of Revenue, which includes 850,000 residents, has over 50% of the \$2.8 million payments recorded in the accounting area of the database. These payments have been posted to withholding and old fund liability accounts. The study will help them decide whether to use one of the current systems or develop an entirely new system. They contacted national consulting firms for ideas on projects of this magnitude. Other states confirmed the

complexity of merging these systems and cautioned them to make sure there is enough research, analysis and evaluation completed before any changes are implemented. They also need to find out if it would be feasible to modify the DOR system or have L&I merge with a new system. **Mr. Sager** agreed with the consulting firms that the new system must be cost-effective or there would be no need to change. If the study only costs \$100,000, they would not use the rest of the funding appropriated here; it would be returned.

REP. JOE QUILICI, HD 36, Butte, asked what the ongoing costs of the new system would be. **Mr. Sager** said the system would have three phases and referred to Exhibit 2. They will combine audit activities and have employers only use one identification number. The cost benefit analysis and results will be considered after the study is finalized. The study results and recommendations would be introduced in the next legislative session. **REP. QUILICI** asked what the benefits would be to small employers. **Mr. Sager** said it would probably be consolidated reporting and consolidating payments of withholding and employment taxes.

{Tape: 1; Side: B; Approx. Counter: 0.1.}

Closing by Sponsor:

REP. KASTEN said this is a chance to analyze the data systems, as well as what our needs will be in the future. It is a very big job and tracking these systems is extremely complex. There is also a steady turnover of small employers in the Department of Revenue's database. If they can get the study completed, the results will give us a place to start -- whether or not to consolidate.

{Tape: 1; Side: B; Approx. Counter: 3.4.}

HEARING ON HB 3

Opening Statement by Sponsor:

REP. TOM ZOOK, HD 3, Miles City, said HB 3 is a supplemental bill appropriating money to various state agencies for the remainder of FY 1995. He said there were important amendments, one which gives \$300,000 from the general fund to the Department of Corrections to begin work right away on Warm Springs for prison overcrowding. This amount will be deleted from HB 2 and added here so they can begin to use it as soon as possible. Additional funding in the LFA amendment is for payments to: the Secretary of State's office to pay for costs from the 1994 general election; the Commissioner of Political Practices for implementation of I-118 and unanticipated legal expenses; the Department of Transportation for their part in the McCarty Farms lawsuit against Burlington Northern; the Department of State

Lands for fire costs; the Department of Justice for litigation; the Office of Public Instruction for reimbursing school districts for transportation costs; the Department of Corrections for increased security at the Swan River Boot Camp and to the university system to pay general obligation bonds connected with the energy conservation program at DNRC. **EXHIBIT 3.**

Questions From Committee Members and Responses:

REP. MIKE KADAS, HD 66, Missoula, asked about the costs at the Department of State Lands. **Bob Kuchenbrod, Administrator, Centralized Services, Department of State Lands,** said his department pays for fires through their operation plan account. They borrowed money from FY 95, so part of the appropriation transfer is to repay FY 95 funds. The SBAS costs recorded are about \$10.6 million; other bills they receive from other sources, such as Forest Service, National Guard, Bureau of Land Management are about \$11.8 million, with total costs about \$23.3 million. He referred to page 2, line 2, which deletes \$7.7 million and inserts \$10.5 million. This would cover costs they are reimbursed by the federal government for and that money will be deposited into the general fund since it is already spent up-front. **EXHIBIT 4.**

REP. KADAS asked about the FEMA payment. **Mr. Kuchenbrod** said FEMA is the Federal Emergency Management Agency that reimburses states for costs incurred, such as floods, earthquakes, fires, etc. They will reimburse State Lands \$3.5 million for their share of the costs. **REP. KADAS** was concerned that with increased subdivisions and structures in and near forests a significant impact could occur from damages from fires. **Tim Murphy, Fire Chief, Forestry Division, DSL,** said that fires with structures cost about eight times more than other fires. He said the costs in the 1988 fires were six times as much as the average.

REP. EDWARD GRADY, HD 55, Canyon Creek, asked how the conditions were at this time going into the 1995 fire season. **Mr. Murphy** said it would be a matter of time until the state greens up.

REP. GRADY wanted to know what could be done with helping volunteer firefighters in rural areas dealing with more and more structure fires and suppressing the costs. **Mr. Murphy** said the best way to address structure damage in rural areas is prevention. They are writing guidelines to use when developing subdivisions and building structures in rural areas and near forests. Counties are now starting to enact those guidelines in areas where development is occurring.

REP. STEVE VICK, HD 31, Belgrade, wondered if it could be determined how many extra costs are due to not harvesting enough timber. **Mr. Murphy** said that some of the more substantial fires are in lodgepole pine forests. One such fire was in an area that had been harvested and, if it had not been harvested, it would have had much more damage.

REP. JOHN COBB, HD 50, Augusta, referred to the Department of Family Services shortfall of \$1.2 million that was not included in the supplemental. **Dave Lewis, Budget Office,** said his office has been working with the departments that are included in the supplemental. They are confident they can handle the DFS shortfall in another manner. They can adjust funds at OPI and SRS and also use additional money from MRM. **REP. COBB** asked if the extra money was already sitting somewhere. **Mr. Lewis** said no, they are taking full advantage of the resources they have. **REP. COBB** was concerned that **Mr. Lewis** was being too vague. **Mr. Lewis** said he didn't have specifics yet, but the budgets for the next four years could all be changed.

REP. ROGER DEBRUYCKER, HD 89, Floweree, asked about the additional funding for the Swan River Boot Camp. This is for increased security, additional FTEs, contracts with the Lake County sheriff's office, and additional equipment. **Rick Day, Director, Department of Corrections, Helena,** gave the committee an up-to-date summary of the Swan River Boot Camp, including a chart of supplemental appropriations. The department proposes to transfer the boot camp to new facilities at the state prison grounds. **EXHIBITS 5 and 6.**

REP. RED MENAHAN, HD 57, Anaconda, said that some of the rooms in the new facility could be used for multi-purposes and would save some construction costs. The eating area could also be used as a gym when they are not at meals.

REP. DEBRUYCKER asked if Swan River could be used as a youth camp or an overflow for those under 18. **Mr. Day** said the facility was initially a youth camp, but security would still be a major problem.

REP. ROYAL JOHNSON, HD 10, Billings, said the legislature had tried to increase the per diem costs to include capital costs. He costs at the prison were \$56 a day per inmate and \$40 a day at county prisons. **Mr. Day** said the costs per day were \$59.

REP. WISEMAN asked if the Swan Lake land was state-owned land, he wondered what value they would get when they sell it. Since it is in a high recreational area, if that would increase the value of the land. **REP. KADAS** asked if money from the sale would go into the general fund. **Mr. Day** said he was not involved with the sale of the land, since that was State Lands area. **Mr. Kuchenbrod** said that the money might be appropriated to the beneficiary of the tract of land. **Mr. Day** said they anticipate the transition to be completed by the end of the biennium whenever the building is completed at the prison grounds.

REP. COBB asked **Mr. Day** what he thought of the statement made by **Mr. Lewis** that some of DFS shortfall could come from Corrections or the MRM accounts. **Mr. Day** said that Corrections does not have any money to fund the supplemental. Their part of the money from MRM is a flat contract amount. **REP. COBB** still wanted to know

how the \$1.2 million for DFS would be funded. **Mr. Lewis** assured him they were still satisfied they could cover the shortfall. There are different options and they have not made up their minds yet. **REP. COBB** wanted specifics.

REP. KADAS referred to the university system amendment for \$850,000. In this amendment, they used language adopted in the special session that if there is a shortfall in funding, the Commissioner of Higher Education may request a supplemental appropriation. **Mr. Lewis** was not certain of the status of the university budget at this time. **REP. KADAS** asked him if he were going to use the supplemental in light of the tuition policy. **Mr. Lewis** answered that he couldn't speak for the future, but recognizes the intentions from the special session. **EXHIBIT 7.**

REP. JOHNSON said the situation is not about the money, but principle and agreements. They made a deal in the last session that if they came in with a supplemental appropriation, they would stick to it. He said the Education Subcommittee worked very hard to put in trust and if this takes that trust away, it is not a good amendment. He said it is a matter of principle and their word.

EXECUTIVE ACTION ON HB 3

Motion: **REP. QUILICI** MOVED HB 3 AMENDMENT HB000301.A01, ITEMS 1, 2 AND 4 DO PASS.

Discussion: **REP. QUILICI** said #2 was for the Secretary of State's office and #4, the McCarty litigation, is being funded from state special funds instead of general fund.

Vote: Motion that HB 3 Amendment HB000301.A01, Items 1, 2 and 4 Do Pass carried unanimously.

Motion: **REP. ROYAL JOHNSON** MOVED HB 3 AMENDMENT, HB003, DO PASS.

Discussion: **REP. JOHNSON** said he was mostly concerned about trust and fairness. Budgets can be cut and people will survive; but you can't get away with not living up to your word.

{Tape: 2; Side: A; Approx. Counter: 0.1.}

REP. GRADY said they are talking about a lot of money. One legislature can't speak for the next. They have to address an issue as it is today. He doesn't know if they need to do this now and that the process has a long way to go. **REP. JOHNSON** again said he isn't sure the university system needs this supplemental, but if they don't approve it, their word will not be trusted anymore. **REP. KADAS** agreed. The 1993 session had a fund balance and they put in this language. If they renege on this, it would throw doubt on the way supplementals would work in

the future. They certainly can't bind another legislature, but the relationship between the system and legislature is one of trust that has been built for many years. They have complained that the Regents don't keep their words and here they may be doing the same thing. They asked the Regents to assure us the money would be in their budgets. There are only three or four months left in this fiscal year and if they intend to cut this much money, it would put the university system in a tough situation. **REP. KADAS** is also frustrated with the Budget Office that is undermining a sense of working with Regents. **REP. DEBRUYCKER** agreed with **REP. KADAS**. It is an issue of trust. He could name many instances where the legislature has backed off from keeping their word. One example is the deal with the counties payments in lieu of taxes from state-owned lands. They haven't been paying those either. We should keep our word. **CHAIRMAN ZOOK** said they probably have a bad enough reputation without helping it along by not funding this.

Vote: Motion that HB 3 Amendment HB003 Do Pass carried 16 - 2, with REPS. KASTEN and GRADY voting no.

Recessed until 3:00 p.m.

{Tape: 2; Side: A; Approx. Counter: 7.0.}

EXECUTIVE ACTION ON HB 3 (cont'd.)

Discussion: **REP. BOB REAM**, HD 69, Missoula, discussed the Forest Land Flat Taxation system, whereby the 1991 Legislature changed the system from a tax-based system on the standing inventory of trees to one based on productivity classes. Existing forest tax should revert to the agricultural level. He also submitted a letter from Mick Robinson, Director, Department of Revenue. **REP. REAM** introduced an amendment for \$48,977 that would pay the remaining collections from the 10¢ per-acre charge to Forestry at University of Montana for work on the forest land taxation project. **EXHIBITS 8 and 9.**

Motion/Vote: **REP. GRADY MOVED HB 3 REAM AMENDMENT DO PASS.**
Motion carried unanimously.

Motion/Vote: **REP. KADAS MOVED HB 3 AMENDMENT HB000301.A01, #3 DO PASS.** Motion carried unanimously.

Motion/Vote: **REP. KADAS MOVED HB 3 AMENDMENT HB000301.A01, #7 DO PASS.** Motion carried unanimously.

Motion/Vote: **REP. GRADY MOVED HB 3 AMENDMENT HB000301.A01, #5 DO PASS.** Motion carried 14 - 4, with REPS. FELAND, DEBRUYCKER, VICK and KASTEN voting no.

Motion: REP. GRADY MOVED HB 3 AMENDMENT HB000301.A01, #6 DO PASS.

Discussion: REP. VICK made a substitute motion to separate the two items in #6. One is for \$300,000 for prison overflow and one is for \$103,465 for the Swan River Boot Camp.

Vote: Motion that HB 3 Amendment HB000301.A01, #6, \$300,000 for prison overflow Do Pass carried unanimously.

Motion: REP. VICK MOVED HB 3 SUBSTITUTE MOTION ON AMENDMENT HB000301.A01, #6 TO REMOVE \$63,832 FROM SWAN RIVER BOOT CAMP.

Discussion: REP. VICK was concerned about the Swan River funding. It would give them the ability to expand the boot camp from now until the end of June, and then the camp would be moved. He doesn't think it is appropriate to add five FTEs at this time. REP. GRADY asked if part of the FTEs was to add security guards. Mike Ferriter, Bureau Chief, Department of Corrections, agreed with REP. GRADY. The five FTEs are necessary to secure the camp. The recent incidents that occurred were partly because there wasn't sufficient staff at the camp. They want to continue their operations at this time at a safe level. REP. KADAS asked if this was essentially the way they would make their decisions about the Condon Lake property. If this committee will have a say in that, it would have to be in this bill today. They would need to make appropriate measures in HB 2. He didn't think there had been an opportunity for a thorough presentation and discussion for such significant changes. CHAIRMAN ZOOK said it might not make any difference in regards to this amendment. But, he agrees with REP. KADAS in that they haven't had any discussions on that issue. REP. MENAHAN said two years ago the idea of the boot camp was a good one, but not necessarily the location. With this type of operation and costs, this proposal is the cheapest and best way to go. It would be away from the prison but still close enough to get all the services they need from the prison. He wholeheartedly supports moving the boot camp. REP. VICK told Mr. Ferriter that he was under the impression the five FTEs would not replace the trustees, but would enable them to increase the number of inmates. Mr. Ferriter said no, he misunderstood. They simply need more staff to help them reduce incidents like the ones that had just occurred. REP. VICK asked what was included in HB 2 for additional FTEs. Mr. Ferriter said they reduced that number from nine to five.

{Tape: 2; Side: A; Approx. Counter: 29.8.}

REP. QUILICI said the original supplemental for \$103,465 is for the boot camp to sustain them until the end of this fiscal year. Mr. Ferriter agreed. They have 30 inmates at the boot camp and this would help with additional security as well as security equipment. REP. QUILICI said he would oppose the substitute motion because he thought it was certainly a viable problem at

Swan River and they needed the extra help. The residents in the area are very concerned about their safety.

REP. KADAS asked how many FTEs were presently at Swan Lake. **Mr. Ferriter** said there were 19.5 FTEs. **REP. KADAS** said the supplemental showed five FTEs in FY 95 with a decline of 24.5. He asked why the decline in FY 96 and 97 when they aren't moving prisoners until late FY 97 or 98. **Bill Furois** said the major reason for the decline is they will reduce the number of trustees. Their Executive Budget request had nine FTEs for expansion but that has been reduced to five in this supplemental. **REP. KADAS** said in regards to FY 96 and 97, how many beds were at Swan River. There are 40 beds in the base with a maximum of 60. If they reduce the number of trustees, could they reduce the amount of oversight and costs. **Mr. Furois** said that before the incidents and security audits, the trustees worked okay. The security audit said that was not right. **CHAIRMAN ZOOK** said the Governor's budget had zero requests. Since their problems, they are only adding five FTEs for FY 95. This was just a supplemental bill. These FTEs would not remain in their budget unless they were also in HB 2. **REP. KADAS** then asked if they were included in HB 2. **CHAIRMAN ZOOK** was not sure but reminded the committee that their questions should only be concerned with FY 95 in this bill. **REP. VICK** said they if they are just for FY 95, why would they hire them now. If the problem was with the trustees, they are gone. **REP. MENAHAN** said that in the past they were only funded for 850 inmates and their staff was reduced at MSP by 42. HB 2 replaced the 42 with only 19. They thought they could save money by using trustees and they were cheap, only \$1.10 a day. They worked on maintenance, worked in the kitchens. Now they need to hire staff to do that work. **REP. GRADY** opposes the substitute motion and agrees with **REP. MENAHAN**. He said they have an emergency situation at Swan Lake and need to address it carefully. He's visited the camp a few times and always felt they were understaffed. The situation had been ready to explode for some time.

Vote: Motion that HB 3 Substitute Motion Do Pass to Reduce Amendment HB000301.A01, #6, by \$63,832 failed 6 - 12, with REPS. KASTEN, VICK, COBB, BERGSAGEL, HOLLAND and FISHER voting yes.

Discussion: **REP. QUILICI** said that the rest of the Swan River supplemental is for mobile radios and connecting to the sheriff's office at Lake County. There is also \$5,000 for a dress policy. **Mr. Ferriter** said the security audit recommended a dress policy that would help the nearby residents recognize the staff and also give a more professional image to the staff.

Motion: **REP. VICK** MOVED HB 3 AMENDMENT DO PASS, AND MADE A SUBSTITUTE MOTION TO DELETE \$5,000 FOR THE DRESS POLICY AND \$4,535 FOR THE CRIMINAL NETWORK.

Discussion: **REP. JOHN JOHNSON** said that generally when they deal with supplementals, the expenses have already occurred. **Clayton**

Schenck said that the supplemental bill covers a number of extra issues, some of which have not already been incurred. It can be true on some issues on projects already completed, but supplementals can also take care of those services not yet completed. **REP. JOHN JOHNSON** said he only wanted to clarify that if the expenses had already occurred, they were wasting time making substitute motions.

Vote: Motion that HB 3 Amendment Do Pass with Substitute Motion to Reduce #6 by \$9,535 carried 13 - 5, with REPS. WISEMAN, GRADY, MENAHAN, JOHN JOHNSON and CHAIRMAN ZOOK voting no.

Motion/Vote: **REP. KADAS MOVED HB000302.A01 DO PASS.** This would strike lines 15 and 16 in their entirety. Motion carried unanimously.

{Tape: 2; Side: B; Approx. Counter: 0.1.}

Motion: **REP. COBB MOVED HB 3 AMENDMENT HB000301.A09 DO PASS.**

Discussion: **REP. COBB** said this amendment would give the Child Support Division at Family Services money for enforcement activities. It also deals with child care benefits which is a one-time federal grant of \$1 million for daycare. This amendment reduces ADC by \$510,000 in general fund and \$1.2 million in federal funds and reappropriates it for child support enforcement and child care benefits in FY 95. Any unexpended balance is reappropriated for FY 96. **Mr. Lewis** said he had not discussed this with the department, but that it is probably some of the money they wanted to use to cover the DFS shortfall. He doesn't know if they could use the money from now until the end of the fiscal year. He thinks **REP. COBB** intends to force a supplemental for DFS. The Budget Office is doing everything they can to avoid cutting medicaid services this fiscal year.

REP. KASTEN asked if they appropriated an increase in staff over the last biennium for child support. **REP. COBB** said this was to give them money now and they could start right away, without having to wait until July. There are many unpaid collections out there. **REP. KASTEN** said she opposes the amendment. She doesn't know if it can be done and save AFDC money. **REP. COBB** said he has talked to DFS and they said they could use it right away. They would be able to hire staff and start working on recovering unpaid collections. He wants to do something here before it gets cut back on the federal level.

Vote: Motion that HB 3 Amendment HB000301.A09 Do Pass carried 11 - 7 on a roll call vote, with REPS. GRADY, FISHER, HOLLAND, KASTEN, QUILICI, VICK and CHAIRMAN ZOOK voting no.

Motion/Vote: **REP. GRADY MOVED HB 3 DO PASS AS AMENDED.** Motion carried 12 - 6, with REPS. DEBRUYCKER, VICK, FELAND, KASTEN, BERGSAGEL and FISHER voting no.

{Tape: 2; Side: B; Approx. Counter: 18.0.}

HEARING ON HB 268

Opening Statement by Sponsor:

REP. CHRIS AHNER, HD 51, Helena, opened the hearing on HB 268 which establishes a guaranteed minimum and maximum annual retirement benefit adjustment for public employees. This bill has been nicknamed the "GABA" bill and was heard in the State Administration committee.

Linda King, Administrator, Public Employees' Retirement Division (PERD), Helena, gave a brief overview of this bill. The 1993 Legislature required PERD to review the sufficiency of benefits paid to retirees and to recommend to the next legislature any changes that may be necessary to maintain a stable standard of living. The Governor supports this bill. Previous GABA proposals were found to be too expensive, i.e., 2% meant a \$16 million impact in the general fund. This proposal was reworked at 1½% and reduced the proposed employer and employee contribution increases. The other change was in the Teachers' Retirement System where earned compensation is now defined to mean base salary only. There are no expected mill increases for the school districts as the average increase would only be \$350 for FY 98 and \$450 for FY 99. EXHIBITS 10 and 11.

Questions From Committee Members and Responses:

REP. BETTY LOU KASTEN, HD 99, Brockway, asked with the 1½% what the total fiscal impact would be. Ms. King said the general fund impact is over \$5 million and the non-general fund impact is about \$2 million. The next biennium projections are \$11 million, with non-general fund impact about \$3.6 million. REP. KASTEN asked why the general fund impact hadn't gone down. Ms. King remarked that they are now including local government as well.

REP. EDWARD GRADY, HD 55, Canyon Creek, asked Ms. King to explain the amendment she introduced since it has so many items. Amendment HB026804.ASH, Items 6, 7, 8, 9, 10, 11, 12, 15 and 16 correct numbers that occurred from a calculation error. EXHIBIT 12.

Dave Senn, Administrator, Teachers' Retirement Division, referred to Exhibit 12, said the rest of the items on the amendment are technical changes and clarify definitions for Teachers' Retirement.

REP. STEVE VICK, HD 31, Belgrade, asked what the average retirement benefits were. Ms. King said there were eight different retirement systems involved in this bill. The benefits

are based on formulas. The PERS group can retire at 60 years of age with only five years of service and receive 5/56 of their average monthly salary. The highest benefits are generally in the judge's retirement system where current retirees get increases at the same rate as active members -- 5½% to 6% a year. They are trading 1½% for new judges. People who work full careers usually retire at their final salary. That formula is 28 years. Hazardous duty system is only 20 years and teachers are at 30 years for one-half their pay. So, the benefits fall within a very wide range.

REP. MIKE KADAS, HD 66, Missoula, asked if teachers could count summer employment in their total years of service. **Mr. Senn** said that before they could, but after this fiscal year they would not be able to count summer employment. If they don't contribute, they don't get compensation for those months.

REP. ROYAL JOHNSON, HD 10, Billings, asked for some other examples. **Ms. King** said that police officers receive 1/2 pay after 20 years of service. They don't get social security, only police retirement benefits. She said that teachers have social security as well as retirement. There are many different systems, with some the highest consecutive is 36 months. **REP. JOHNSON** asked if a policeman retired after 20 years and gets another job, if they are still covered under PERS. They could go to work in another state and be covered under another retirement system. **REP. JOHNSON** asked if they deduct anything from their current salary, or lose benefits if they get another full time job. **Ms. King** said with some systems you can't get a benefit adjustment or an increase while you're working in another state job, and others have no restrictions at all. **REP. JOHNSON** said that was unlike social security where there are policies that you can't make over a certain amount and still receive your social security payments. In the GABA bill, if someone is working in the public sector and paying into a retirement system, they would not receive any increases in that year, only if they aren't working for state or local government.

Closing by Sponsor:

REP. AHNER said that this bill has been considered favorably in State Administration and she hoped the committee would support it.

{Tape: 2; Side: B; Approx. Counter: 44.8.}

HEARING ON HB 471Opening Statement by Sponsor:

REP. DICK SIMPKINS, HD 49, Great Falls, opened the hearing on HB 471 which extends the termination date for the committee on public employee retirement systems and authorizes the committee to provide a specific date by which retirement proposals can be submitted. Last session, there were 40 retirement bills that were heard in State Administration. They were given many of the proposed bills that were drafted prior to the session. This committee played a very important part in the GABA bill. Their work involves defined contribution plans and could possibly cut down the number of retirement bills that come before the legislature every year. They will come up with a system that will be the best for the state. If staff at the Legislative Council can't support the extra work the committee may have, they could contract employment. If so, that could cost about \$7,000 from the general fund and \$6,000 from the retirement system contribution.

Proponents' Testimony:

Linda King, Administrator, PERD, Helena, urges support to extend the sunset on the PERS committee. They have time to spend on some of the archaic issues that are still on the books, and can identify problems to the legislature and come up with solutions. It would give them time to work on issues in the interim and not have to waste time during the busy legislative session.

Dave Senn, Director, Teachers' Retirement System, Helena, supports this bill because it gives them an opportunity to look at issues in depth and make recommendations to the legislature.

Tom Snyder, Montana Public Employee Association, said he was involved with retirement legislation for about 38 years and there were problems with the last law that was drafted. There was not enough time as the last meeting of the committee was only two days before New Year's Eve. This bill allows the PERS committee to set its own schedule.

Tom Bilodeau, Montana Education Association, said his group also supports this legislation. There is work being done by many different groups and it is an important aspect for the system for all retirees, faculty and employees. This committee is a vehicle by which active and retired employees can deal with the legislature on an ongoing basis, reviewing important changes in the structure of the benefit systems outside of the hustle and bustle of the legislation session. There are still important issues that need to be addressed in the interim.

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Vern Erickson, Montana State Fireman's Association, also supports this bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. BEVERLY BARNHART, HD 29, Bozeman, offered a suggestion for those who want to be on the committee. They could send in their request along with their qualifications to the leadership who sits on the committee. REP. SIMPKINS said there are two people from each party so it is bipartisan. There are only legislators on the committee.

Closing by Sponsor:

REP. SIMPKINS said one of the main reasons is to cut down the number of retirement bills that comes before the legislature and to make sure that the recommendations from the committee have been well thought out and researched.

{Tape: 2; Side: B; Approx. Counter: 57.2.}

HEARING ON HB 485

Opening Statement by Sponsor:

REP. ERNEST BERGSAGEL, HD 95, Malta, opened the hearing on HB 485 which deals with preserving heritage property, expanding membership on the preservation review board and appointment procedures for the historic preservation officer. He introduced the amendment. EXHIBIT 13.

Proponents' Testimony:

Brian Cockhill, Director, Montana Historical Society, Helena, supports the bill and has helped work on it for over a year.

John Fitzpatrick, Pegasus Gold, also supports the bill.

Wayne Stahl, Phillips County Commissioner, also supports the bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. MIKE KADAS, HD 66, Missoula, asked if the fiscal impact was that the Montana Historical Society would lose federal funds because they are rearranging the board. Mr. Cockhill agreed.

EXECUTIVE ACTION ON HB 485

Motion/Vote: REP. BERGSAGEL MOVED HB 485 AMENDMENT DO PASS.
Motion carried unanimously.

Motion/Vote: REP. BERGSAGEL MOVED HB 485 DO PASS AS AMENDED.
Motion carried 14 - 4, with REPS. DEBRUYCKER, McCANN, KASTEN AND KADAS voting no.

EXECUTIVE ACTION ON HB 268

Motion/Vote: REP. GRADY MOVED HB 268 AMENDMENTS DO PASS. Motion carried unanimously.

Motion/Vote: REP. GRADY MOVED HB 268 DO PASS AS AMENDED. Motion carried 12 - 6, with REPS. VICK, KASTEN, BERGSAGEL, DEBRUYCKER, MENAHAN and FELAND voting no.

{Tape: 3; Side: A; Approx. Counter: 0.1.}

EXECUTIVE ACTION ON HB 550

Motion/Vote: REP. KASTEN MOVED HB 550 AMENDMENT HB055001.A15 DO PASS. Section 4 is a new section. She also stated there were several people in the hearings who felt they could have a better system. This bill clears up misunderstandings about the concept of streamlining the wage reporting system. Motion carried unanimously.

Motion: REP. KASTEN MOVED HB 550 AMENDMENT HB055002.A15 DO PASS.

Discussion: REP. KASTEN said this was the funding for the bill. It strikes the amendment which was put on during House floor debate and goes back to the original language, except for instead of getting \$68,000 from general fund it will be from the UI tax fund. Part of the money to go into the tax fund. REP. KADAS asked why the distribution was from three different funds -- the

UI, workers compensation and the general fund. In Phase I, they reviewed streamlining and both Labor and Revenue put in staff and money. To carry out Phase II, analyzing the data and having one workable place, the same funding should apply. Since the employers will benefit from this, allocated costs would be from funds within the department that were used for this type of enterprise. **REP. KADAS** asked why they couldn't change the amendment to read \$65,000 from each of the three funding sources, thereby cutting total appropriation to \$195,000 and splitting it equally among the funding sources. **REP. KASTEN** said they would have considered that but when they checked with professional consultants and the range of data they are talking about, the study costs were proposed to be about \$218,000 to \$250,000. She also said this could include about 1,000 to 1,500 billable hours at \$125 to \$225 an hour for this type of work. She would rather see they have the money to do the study properly and revert the money that they don't use. **REP. KADAS** said if \$250,000 is authorized, it will all be spent.

Motion/Vote: **REP. KADAS** MOVED SUBSTITUTE MOTION TO APPROPRIATE \$210,000 WITH \$70,000 FROM EACH FUNDING SOURCE. Motion failed 6 - 12, with REPS. **DEBRUYCKER**, **MENAHAN**, **WISEMAN**, **KADAS**, **BARNHART** and **JOHN JOHNSON** voting yes.

Vote: Motion that HB 550 Amendment HB055002.A15 Do Pass carried 11 - 7, with REPS. **DEBRUYCKER**, **BARNHART**, **KADAS**, **JOHN JOHNSON**, **COBB**, **FELAND** and **McCANN** voting no.

Motion/Vote: **REP. KASTEN** MOVED HB 550 DO PASS AS AMENDED. Motion carried 12 - 5 on a roll call vote, with REPS. **BARNHART**, **DEBRUYCKER**, **FELAND**, **McCANN**, AND **VICK** voting no.

EXECUTIVE ACTION ON HB 192

Motion: **REP. KADAS** MOVED HB 192 DO PASS.

Discussion: **REP. KADAS** said if they delete the special license plates from the bill there would be no funding. There are already many special license plates and one more shouldn't matter that much. **REP. BARNHART** said she had visited the Lewis and Clark County treasurer's office to see exactly how much room all the special license plates took and there were only a few boxes at the end of a room. She doesn't think the problem is as widespread as some have made it seem.

Vote: Motion that HB 192 Do Pass carried 12 - 6, with REPS. **FELAND**, **DEBRUYCKER**, **KASTEN**, **HOLLAND**, **WISEMAN** and **FISHER** voting no.

{Tape: 3; Side: A; Approx. Counter: 16.2.}

EXECUTIVE ACTION ON HB 8

Motion/Vote: REP. McCANN MOVED HB 8 DO PASS AS AMENDED. Motion carried 15 - 3, with REPS. DEBRUYCKER, KASTEN and FELAND voting no.

EXECUTIVE ACTION ON HB 279

Motion: REP. ROYAL JOHNSON MOVED HB 279 AMENDMENT DO PASS.

Discussion: REP. JOHNSON said they discussed this amendment at the hearing. His concern is that DNRC will keep asking future legislatures for money for this issue. John Tubbs, DNRC, said this amendment constrains the department to issue no more than \$10 million of bonds outstanding at any one time.

Vote: Motion that HB 279 Amendment Do Pass carried 17 - 1, with REP. DEBRUYCKER voting no.

Motion/Vote: REP. BERGSAGEL MOVED HB 279 DO PASS AS AMENDED. Motion carried 14 - 4, with REPS. DEBRUYCKER, KASTEN, COBB and FELAND voting no.

{Tape: 3; Side: A; Approx. Counter: 22.7.}

EXECUTIVE ACTION ON HB 222

Motion: REP. BARNHART MOVED HB 222 BE TAKEN OFF THE TABLE.

Discussion: REP. BARNHART said this was Rep. Wyatt's bill that used special license plates for child health care and protection and the money would go to the MIAMI project. They had just passed another bill where the funding was from adding another special license plate. She thought it would be fair to reconsider this bill.

Vote: Motion that HB 222 be Taken off the Table carried 12 - 6, with REPS. KASTEN, VICK, HOLLAND, ROYAL JOHNSON, BERGSAGEL and CHAIRMAN ZOOK voting no.

Motion/Vote: REP. BARNHART MOVED HB 222 DO PASS. Motion carried 10 - 8 on a roll call vote, with REPS. GRADY, BERGSAGEL, HOLLAND, ROYAL JOHNSON, KASTEN, VICK, WISEMAN and CHAIRMAN ZOOK voting no.

EXECUTIVE ACTION ON HB 390

Motion: REP. KADAS MOVED HB 390 AMENDMENT DO PASS.

Discussion: REP. KADAS said he would reduce the 5% to 2% to give \$600,000 each year for the state support of the work study program at the university system. He wants resources put into financial aid.

Vote: Motion that HB 390 Amendment Do Pass carried 17 - 1, with REP. FISHER voting no.

Motion/Vote: REP. KADAS MOVED HB 390 DO PASS AS AMENDED. Motion carried 11 - 7, with REPS. DEBRUYCKER, FISHER, HOLLAND, VICK, KASTEN, GRADY and CHAIRMAN ZOOK voting no.

EXECUTIVE ACTION ON HB 267

Motion: REP. KADAS MOVED THAT HB 267 BE TABLED. Motion carried 16 - 2, with REPS. MENAHAN and KASTEN voting no.

EXECUTIVE ACTION ON HB 512

Motion/Vote: REP. MENAHAN MOVED HB 512 DO PASS. Motion carried 14 - 4, with REPS. FISHER, VICK, KASTEN and FELAND voting no.

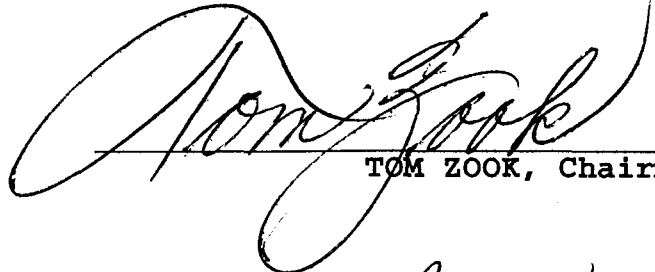
HOUSE APPROPRIATIONS COMMITTEE

March 13, 1995

Page 20 of 20

ADJOURNMENT

Adjournment: 7:30 p.m.



TOM ZOOK, Chairman



MARJORIE PETERSON, Secretary

TZ/mp

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL

DATE 3-13-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Marj Fisher	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Mike Kadas	✓		
Rep. Betty Lou Kasten	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		



HOUSE STANDING COMMITTEE REPORT

March 17, 1995

Page 1 of 4

Mr. Speaker: We, the committee on Appropriations report that **House Bill 3** (first reading copy -- white) do pass as amended.

Signed:

A handwritten signature in cursive script, reading "Tom Zook", is written over a horizontal line. Below the line, the name "Tom Zook, Chair" is printed in a serif font.

Tom Zook, Chair

And, that such amendments read:

1. Title, line 6.

Following: " ; "

Insert: "AMENDING SECTION 1, CHAPTER 30, SPECIAL LAWS OF NOVEMBER 1993, SECTION 18, CHAPTER 624, LAWS OF 1993, AND SECTION 6, CHAPTER 774, LAWS OF 1991;"

2. Page 1, lines 10, 13, and 18.

Strike: "4"

Insert: "3"

3. Page 1, lines 15 and 16.

Strike: section 2 in its entirety

Renumber: subsequent sections

4. Page 1, line 22.

Strike: "through 3"

Insert: "and 2"

5. Page 1, line 25.

Strike: "\$92,000"

Insert: "\$88,000"

6. Page 1, line 27.

Committee Vote:

Yes 18, No 0.

621538SC.Hdh

March 17, 1995

Page 2 of 4

Strike: "98,329"

Insert: "16,750"

7. Page 1, lines 29 and 30.

Strike: lines 29 and 30 in their entirety

8. Page 2, line 2.

Strike: "7,700,000"

Insert: "10,497,849"

9. Page 2, following line 5.

Insert: "DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Child Support Enforcement	1995	66,000
General Fund		
	1995	128,117
Funds		Federal

The appropriation for child support enforcement may not be used for any purpose other than child support enforcement activities. The funds may not be used for another purpose or transferred to another program or another agency. Any unexpended balance from the child support enforcement appropriation is reappropriated for fiscal year 1996.

Child Care	Benefits	1995	450,000
General Fund			
		1995	1,094,799
Funds			Federal

The appropriation for child care benefits may not be used for any purpose other than child care benefits. The funds may not be used for another purpose or transferred to another program or another agency. Any unexpended balance from the child care benefits appropriation is reappropriated for fiscal year 1996."

10. Page 2, following line 7.

Insert: "DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES

Swan River Boot Camp	1995	93,930
General Fund		

MSH Reception Overflow	1995	300,000	General
Fund			

COMMISSIONER OF HIGHER EDUCATION		
Distribution Program	1995	849,978

621538SC.Hdh

General Fund				
Vo-Tech Millage	1995	126,433		State
Special				

FORESTRY AND CONSERVATION EXPERIMENT STATION				
Research	1995	48,977		General
Fund"				

11. Page 2, line 10.
Strike: "\$10,522,704"
Insert: "\$13,945,484"

12. Page 2, line 11.
Strike: "436,000"
Insert: "562,433"

13. Page 2, line 13.
Strike: "92,000"
Insert: "88,000"

14. Page 2, line 14.
Strike: "\$11,001,275"
Insert: "\$14,595,917"

15. Page 2, following line 14.
Insert: "Section 4. Section 1, Chapter 30, Special Laws of November 1993, the appropriations for AFDC and Emergency AFDC benefits, on page 210, booklet of Special Laws of November 1993, is amended to read:

"b. AFDC and Emergency AFDC Benefits"
Strike: "14,188,582" "36,383,977"
Insert: "13,672,582" "35,161,061" "

Section 5. Section 1, Chapter 30, Special Laws of November 1993, the narrative to appropriations to the university of Montana, on page 258, booklet of Special Laws of November 1993, is amended to read:

"Item 1 contains ~~\$68,255~~ \$44,000 in fiscal 1994 and ~~\$260,865~~ \$67,700 in fiscal 1995 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program."

Section 6. Section 1, Chapter 30, Special Laws of November 1993, the narrative to appropriations to eastern Montana college, on page 259, booklet of Special Laws of November 1993, is amended to

March 17, 1995

Page 4 of 4

read:

"Item 1 contains \$3,628 in fiscal 1994 and ~~\$17,989 in fiscal 1995~~ that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state building energy conservation program."

Renumber: subsequent section

{

-END-

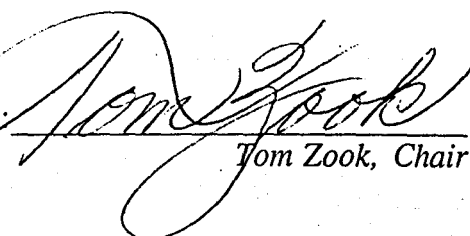


HOUSE STANDING COMMITTEE REPORT

March 16, 1995

Page 1 of 3

Mr. Speaker: We, the committee on Appropriations report that House Bill 8 (first reading copy -- white) do pass as amended.

Signed: 
Tom Zook, Chair

And, that such amendments read:

1. Page 1, lines 27 and 28.
Strike: lines 27 and 28 in their entirety.
2. Page 1, line 30.
Strike: "50,000"
Insert: "\$50,000"
3. Page 2, lines 1 and 2.
Strike: lines 1 and 2 in their entirety.
4. Page 2, lines 9 through 18.
Strike: lines 9 through 18 in their entirety.
5. Page 2, line 20.
Following: "Improvements"
Strike: "50,000"
Insert: "200,000"
6. Page 2, lines 21 and 22.
Strike: lines 21 and 22 in their entirety.
7. Page 2, lines 25 and 26.
Strike: lines 25 and 26 in their entirety.
8. Page 2, line 28.

Committee Vote:
Yes 15, No 3.

610920SC.Hdh

March 16, 1995

Page 2 of 3

Following: "System"
Strike: "50,000"
Insert: "250,000"

9. Page 3, line 13.
Following: "System"
Strike: "\$295,000"
Insert: "\$400,000"

10. Page 3.
Following: line 13.
Insert: "(4) GROUP D: Notwithstanding the provisions of [section 5], the interest rate for the project in this group is 4.5% or the rate at which the state bonds are sold, whichever is lower, for up to 20 years.

Loan Amount

MONTANA DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

Petrolia Dam Rehabilitation

\$358,000"

11. Page 5, line 14.
Following: "Dam"
Strike: "\$1,393,467"
Insert: "\$1,035,467"

12. Page 5, line 28.
Following: "exceed"
Strike: "\$24,956,778"
Insert: "\$24,710,852"

13. Page 5, line 28.
Following: "which"
Strike: "\$20,554,322"
Insert: "\$20,513,207"

14. Page 5, line 29.
Following: "2], "
Strike: "\$2,133,658"
Insert: "\$1,951,204"

15. Page 5, line 30.
Following: "up to"
Strike: "\$2,268,798"
Insert: "\$2,246,441"

March 16, 1995
Page 3 of 3

-END-



HOUSE STANDING COMMITTEE REPORT

March 14, 1995

Page 1 of 3

Mr. Speaker: We, the committee on Appropriations report that House Bill 268 (first reading copy -- white) do pass as amended.

Signed: _____

Tom Zook
Tom Zook, Chair

And, that such amendments read:

1. Page 6, line 29.

Strike: "OR"

Insert: "and"

2. Page 7, line 1.

Strike: "REPORTED"

Following: "COMPENSATION"

Insert: "reported for fiscal years 1993, 1994, and 1995"

3. Page 7, line 2.

Strike: "3 YEARS OF"

4. Page 7, lines 9 through 11.

Strike: "AND" on line 9 through "(1)(B)" on line 10

Following: line 10

Strike: "TWO THIRDS OF THE AMOUNT AVAILABLE UNDER SUBSECTION (1)" on line 11

Insert: "in the member's calculation of benefits two-thirds of the actuarial value of the summer compensation available under the provisions of subsection (1) or may elect to include in the member's average final compensation two-thirds of the summer compensation available under the provisions of subsection (1)"

5. Page 7, lines 12 through 14.

Strike: "AND" on line 12 through "SUBSECTION (1)" on line 14

Committee Vote:

Yes 12, No 6.

591326SC.Hbk

Insert: "18.3%"

16. Page 34, line 24.

Strike: "17.9%"

Insert: "18.15%"

-END-



HOUSE STANDING COMMITTEE REPORT

March 14, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that **House Bill 279** (first reading copy -- white) do pass as amended.

Signed:


Tom Zook, Chair

And, that such amendments read:

1. Title, line 6.

Following: "OBLIGATION"

Insert: "RENEWABLE RESOURCE"

Following: "BONDS;"

Insert: "REPEALING SECTION 85-1-623, MCA;"

2. Page 1, line 11.

Following: "bonds"

Strike: "in an amount not exceeding \$5 million"

3. Page 1, lines 12 and 13.

Following: "part 6,"

Strike: "over and above the \$10 million in renewable resource bonds currently authorized to be issued"

4. Page 1, line 14.

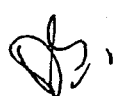
Following: "85-1-617"

Insert: "from time to time and in amounts that, taking into consideration the principal amount of any renewable resource bonds then outstanding, will not cause the total aggregate principal amount of renewable resource bonds outstanding at any time to exceed \$10 million"

5. Page 1.

Following: line 19

Insert: "NEW SECTION. Section 3. Repealer. Section 85-1-623,


Committee Vote:

Yes 14, No 4.

591324SC.Hbk

MCA, is repealed."

Renumber: subsequent sections.

-END-



HOUSE STANDING COMMITTEE REPORT

March 16, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that **House Bill 390** (first reading copy -- white) do pass as amended.

Signed: _____

Tom Zook
Tom Zook, Chair

And, that such amendments read:

1. Title, line 5.

Strike: "5"

Insert: "2"

2. Page 1, line 14.

Strike: "5%"

Insert: "2%"

-END-

Committee Vote:
Yes 11, No 7.

611356SC.Hdh



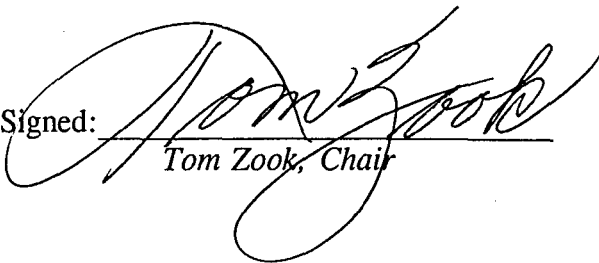
HOUSE STANDING COMMITTEE REPORT

March 14, 1995

Page 1 of 3

Mr. Speaker: We, the committee on Appropriations report that House Bill 485 (first reading copy -- white) do pass as amended.

Signed:


Tom Zook, Chair

And, that such amendments read:

1. Title, line 5.

Strike: "EXPANDING"

Insert: "CHANGING"

2. Title, lines 6 and 7.

Following: "OFFICER;" on line 6

Strike: remainder of line 6 through "OFFICER;" on line 7

3. Title, lines 9 and 10.

Following: "FOR" on line 9

Strike: remainder of line 9 through "PLACES" on line 10

Insert: "INVENTORYING, DOCUMENTING, AND EVALUATING HERITAGE
PROPERTIES"

4. Page 1, line 24.

Strike: "13"

Insert: "nine"

5. Page 1, line 26.

Following: "history,"

Insert: "paleontology, historic property administration,
curation, planning, landscape architecture, conservation,
folklore, cultural anthropology, traditional cultural
property expertise,"

6. Page 1, line 28.

Following: "fields,"

Strike: ","

Insert: "; and"


Committee Vote:

Yes 14, No 4.

591327SC.Hbk

March 14, 1995

Page 2 of 3

7. Page 1, lines 29 and 30.

Strike: subsections (ii) and (iii) in their entirety

Renumber: subsequent subsection

8. Page 2, line 1.

Strike: "six"

Insert: "four"

9. Page 2, line 10.

Following: "SOCIETY"

Insert: ", who have demonstrated an interest in historic preservation,"

10. Page 2, line 29.

Following: line 28

Insert: "(1) "Affected property owner" means a person or entity whose real property will be physically affected by the activity of an applicant or whose real property is proposed for incorporation into a historic district proposed as eligible for listing in the National Register of Historic Places."

Renumber: subsequent subsections

11. Page 4, line 27.

Following: "**consultation**"

Insert: "-- public notice"

Strike: "**finding to district court**"

Insert: "**findings**"

12. Page 4, line 27 through page 5, line 7.

Strike: subsections (1) and (2) in their entirety

Insert: "(1) A federal or state entity that acts upon a proposed federal or state action or an application for a federal, state, or local permit, license, lease, or funding may request the views of the historic preservation officer concerning:

(a) the recommended eligibility for a register listing of any heritage property or paleontological remains;

(b) the effects of a proposed action, activity, or undertaking on heritage property or remains that are found to be eligible for register listing; and

(c) the appropriateness of a proposed plan for the avoidance or mitigation of effects.

(2) A request for comment pursuant to 16 U.S.C. 470(f) may be made simultaneously with a request pursuant to subsection (1). The historic preservation officer shall respond in writing to a request within 30 calendar days of receiving the request and shall address each property in the request and each topic of the request. In the event that an agency requests simultaneous

591327SC.Hbk

consultation for two or more criteria under this section, the agency and historic preservation officer may extend the 30-day review period by mutual agreement. If the historic preservation officer fails to comment within that time, that failure is construed as concurrence with the agency's recommendation. In the event of failure to comment on a specific undertaking, the historic preservation officer may not change a finding for a heritage property at a later date."

13. Page 5, lines 16 through 22.

Strike: subsections (4) and (5) in their entirety

Insert: "(4) At the time that the state or federal agency requests the views of the historic preservation officer as provided in subsection (1), the agency shall provide notice to the applicant, affected property owners, and other interested persons of the request for consultation and shall identify locations where the submitted materials may be reviewed.

(5) The applicant and any affected property owners have 20 days in which to appeal the historic preservation officer's finding to the director. The appeal notice must include a written statement of reasons for the appeal and any additional supporting information.

(6) The director of the historical society shall issue a final finding within 30 days of the expiration of the 20-day appeal period provided for under subsection (5). The issuance of this finding does not limit the rights of any applicant or affected property owner to challenge a finding under an existing federal law, regulation, or regulatory or administrative process."

Renumber: subsequent subsection

14. Page 6, line 8.

Strike: "applicant"

Insert: "agency, in consultation with the applicant,"

15. Page 6, line 10.

Strike: "The"

Insert: "If requested by the agency, the"

16. Page 6, line 12.

Following: "SECTION 5"

Strike: "(3)"

-END-

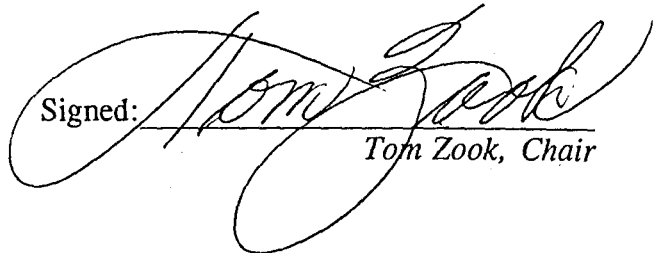


HOUSE STANDING COMMITTEE REPORT

March 14, 1995

Page 1 of 2

Mr. Speaker: We, the committee on Appropriations report that House Bill 550 (first reading copy -- white) do pass as amended.

Signed: 

Tom Zook, Chair

And, that such amendments read:

1. Page 8, line 8.

Following: "30, part 2,"

Strike: "is conclusive and binding upon the taxpayer and the department. The determination"

Insert: "which may be subject to judicial review, as provided in 39-51-2404, at the discretion of the taxpayer,"

2. Page 8, line 9.

Following: "in any proceeding"

Insert: "before or with the department of revenue"

3. Page 18, line 1.

Following: "~~(1)~~(a)"

Insert: "(1)(a)"

Strike: "\$250,000"

Insert: "\$68,750"

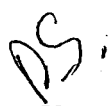
4. Page 18, line 2.

Strike: "general fund"

Insert: "unemployment insurance administrative tax funds"

5. Page 18, line 14.

Insert: "(b) The appropriation contained in subsection (1)(a) is funded by reducing the amount deposited in the state general fund from the payment of penalties and interest collected by the department of revenue pursuant to 15-30-321 by the


Committee Vote:

Yes 12, No 5.

591329SC.Hbk

amount of the appropriation contained in subsection (1)(a).

(2) There is appropriated \$56,250 from the workers' compensation tax account to the department of revenue for the biennium ending June 30, 1997, for a cost-benefit analysis to determine the feasibility of integrating employer wage reporting and related functions.

(3) There is appropriated \$125,000 from the unemployment insurance penalty and interest account established by 39-51-1301 to the department of labor and industry for the biennium ending June 30, 1997, for a cost-benefit analysis to determine the feasibility of integrating employer wage reporting and related functions."

-END-



HOUSE STANDING COMMITTEE REPORT

March 16, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that House Bill 192 (first reading copy -- white) do pass.

Signed:

A handwritten signature in cursive script, appearing to read "Tom Zook", is written over a horizontal line.

Tom Zook, Chair

Committee Vote:
Yes 12, No 6.

611347SC.Hdh



HOUSE STANDING COMMITTEE REPORT

March 17, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that **House Bill 222** (first reading copy -- white) **do pass**.

Signed: _____

Tom Zook
Tom Zook, Chair

Committee Vote;
Yes 10, No 8.

621738SC.Hdh

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-13-95 BILL NO. HB 222

MOTION Rep. Barnhart moved HB 222 Do
Pass. Motion carried 10-8.

NAME	AYE	NO
Rep. Ed Grady, VICE CHAIRMAN, MAJORITY		✓
Rep. Beverly Barnhart	✓	
Rep. Ernest Bergsagel		✓
Rep. John Cobb	✓	
Rep. Roger DeBruycker	✓	
Rep. Gary Feland	✓	
Rep. Marjorie Fisher	✓	
Rep. Don Holland		✓
Rep. John Johnson	✓	
Rep. Royal Johnson		✓
Rep. Mike Kadas	✓	
Rep. Betty Lou Kasten		✓
Rep. Matt McCann	✓	
Rep. Red Menahan	✓	
Rep. Joe Quilici, VICE CHAIRMAN, MINORITY	✓	
Rep. Steve Vick		✓
Rep. Bill Wiseman		✓
Rep. Tom Zook, CHAIRMAN		✓

HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-13-95 BILL NO. HB 550

MOTION Rep. Kasten moved HB550 Do Pass
As Amended. Motion carried 12-5.

NAME	AYE	NO
Rep. Ed Grady, VICE CHAIRMAN, MAJORITY	✓	
Rep. Beverly Barnhart		✓
Rep. Ernest Bergsagel	✓	
Rep. John Cobb	✓	
Rep. Roger DeBruycker		✓
Rep. Gary Feland		✓
Rep. Marjorie Fisher	✓	
Rep. Don Holland	✓	
Rep. John Johnson	✓	
Rep. Royal Johnson	✓	
Rep. Mike Kadas	✓	
Rep. Betty Lou Kasten	✓	
Rep. Matt McCann		✓
Rep. Red Menahan	✓	
Rep. Joe Quilici, VICE CHAIRMAN, MINORITY	✓	
Rep. Steve Vick		✓
Rep. Bill Wiseman	✓	
Rep. Tom Zook, CHAIRMAN	✓	

**HOUSE OF REPRESENTATIVES
54TH LEGISLATIVE SESSION - 1995**

ROLL CALL VOTE

APPROPRIATIONS COMMITTEE

DATE 3-13-95 BILL NO. HB 3

MOTION Rep. Cobb moved HB 3 Amendment
HB 000301. A09. motion carried 11-7.

NAME	AYE	NO
Rep. Ed Grady, VICE CHAIRMAN, MAJORITY		✓
Rep. Beverly Barnhart	✓	
Rep. Ernest Bergsagel	✓	
Rep. John Cobb	✓	
Rep. Roger DeBruycker	✓	
Rep. Gary Feland	✓	
Rep. Marjorie Fisher		✓
Rep. Don Holland		✓
Rep. John Johnson	✓	
Rep. Royal Johnson	✓	
Rep. Mike Kadas	✓	
Rep. Betty Lou Kasten		✓
Rep. Matt McCann	✓	
Rep. Red Menahan	✓	
Rep. Joe Quilici, VICE CHAIRMAN, MINORITY		✓
Rep. Steve Vick		✓
Rep. Bill Wiseman	✓	
Rep. Tom Zook, CHAIRMAN		✓

EXHIBIT 1
DATE 3-13-95
HB 192

TESTIMONY OF THE
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
ON HOUSE BILL 192

BEFORE THE HOUSE APPROPRIATIONS COMMITTEE

March 13, 1995

A bill for an act entitled: "AN ACT AUTHORIZING STATE AGENCIES TO COOPERATE WITH, AND TO ASSIST LOCAL WATERSHED WORK GROUPS; ENCOURAGING LOCAL CITIZENS, ORGANIZATIONS, AND GOVERNMENTS TO FORM WATERSHED WORK GROUPS; REMOVING BOARD APPROVAL FROM THE STATE WATER PLAN; CREATING A SPECIAL LICENSE PLATE AND SPECIAL STATE REVENUE ACCOUNT TO FUND STATEWIDE AND LOCAL WATER RESOURCE EDUCATION AND ACTIVITIES OF LOCAL WATERSHED WORK GROUPS; AMENDING SECTION 85-1-203, MCA; AND PROVIDING AN EFFECTIVE DATE."

My name is Mark Simonich. I am the Director of the Department of Natural Resources and Conservation.

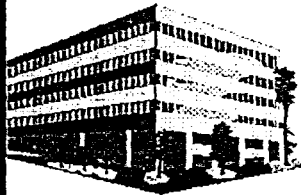
The Department strongly supports HB 192. This bill does three things all to accomplish a single goal. The goal is to make water planning a locally focussed process rather than the top-down process it has been. First, and most importantly, HB 192 encourages local residents, organizations, and government to form local watershed work groups for solving local water issues. Second, the bill changes the role of the Board of Natural Resources and Conservation from approval to advisory in the state water planning process. Third, the bill authorizes creation of a special license plate with the revenues used to support activities of local watershed work groups and water education.

This bill greatly increases local control over watershed management decisions by encouraging local citizens, organizations, and governments to form local watershed work groups. Many of you are familiar with the Upper Clark Fork River Basin Steering Committee, created by the 1991 Legislature, which is a successful example of this approach to water planning and management. HB 192 recognizes and encourages the formation of watershed work groups without the need for special legislation. The bill requests state agencies and conservation districts to work with these work groups before pursuing an action affecting a basin. Also, the bill authorizes state agencies and conservation districts to provide technical and financial assistance, but only upon request by a local watershed work group. The intent of this legislation is to increase the success and opportunity for basin residents to resolve their own watershed issues.

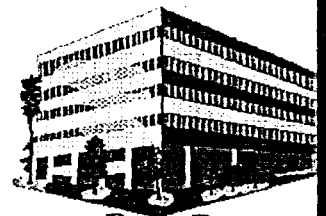
REGISTRATION (Now)



Phone Contact by Employer



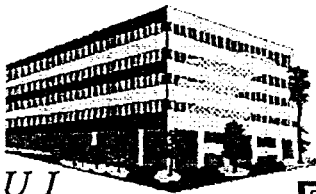
UI



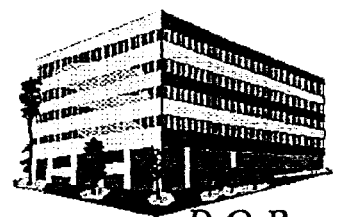
DOR



Forms Completed and
Returned to the Agencies



UI



DOR

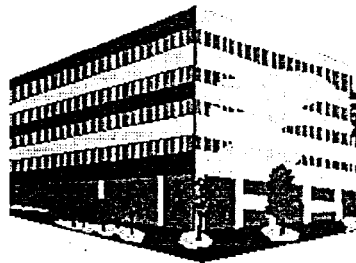
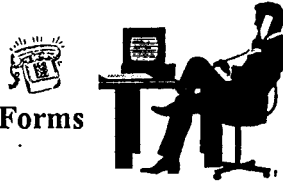
Account Information to Employer



REGISTRATION

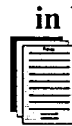
Phase I

Employer Contact for Questions and Forms

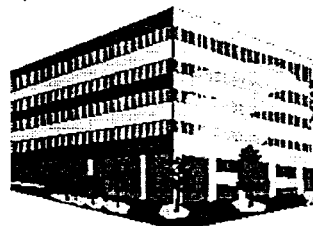


Centralized Registration UI/DOR

Combined Registration
Form & Information
Including WC Information



Employer Completes Form and
Returns it to the Agency



Central Registration



Account Information
to Employer



Decisions & Information
Input into U I Computer

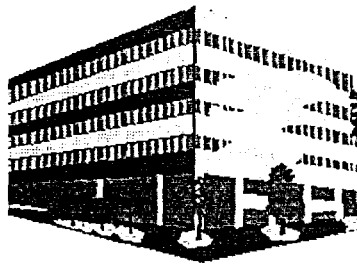
Information Transfers
to D O R Computer



REGISTRATION

Phase III

Employer Contact for Questions and Forms



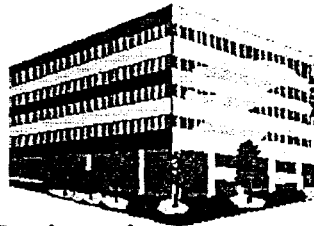
Centralized Registration UI/DOR

in U I

Combined Registration
Form & Information
Including WC Information



Employer Completes Form and
Returns it to the Agency



Central Registration
Decisions & Information
Input into 1 Computer - 1 State ID Number

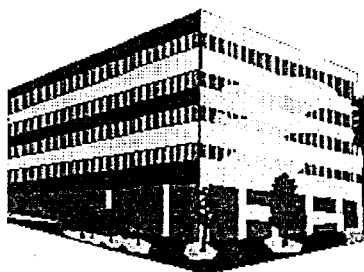


Account Information



Payroll Tax Functions Now No or Limited Interaction

Department of Labor
and Industry
Unemployment
Insurance



Registration



Wage Reporting



Collection

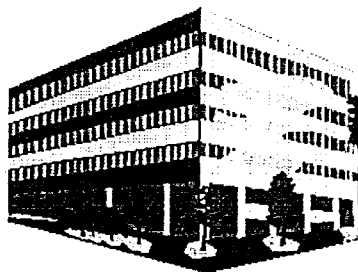


Audit



Independent Contractor
Decisions and Appeals

Department of Labor
and Industry Workers
Compensation Insurance
Compliance Section



Wage Reporting



Collection

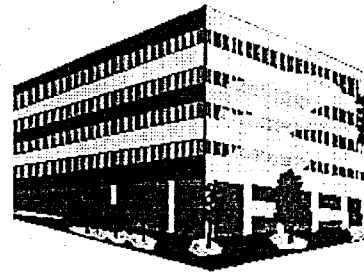


Audit



Independent Contractor
Decisions and Appeals

Department of Revenue



Registration



Wage Reporting



Collection



Audit

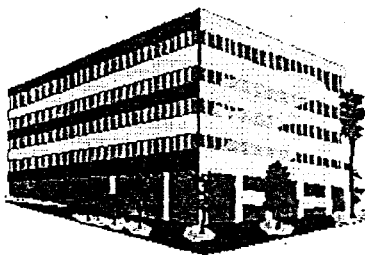


Independent Contractor
Decisions and Appeals

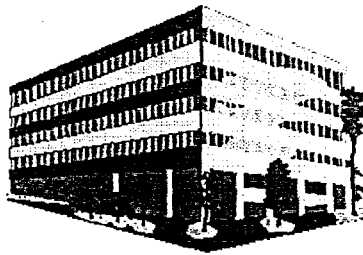
Payroll Tax Functions

Phase I

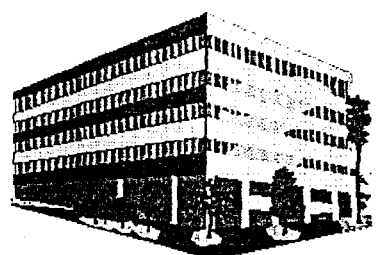
*Workers Compensation
Insurance Compliance Section*



*Unemployment
Insurance*



*Department of
Revenue*



Registration

Wage Reporting

Collections

Wage Reporting

Collections

*Uniform Collection Laws and Procedures
Joint Collections*

Audit

Audit

Audit

Standardized Forms - Co-Location - Some Joint Audits

*Central Appeals Unit
Independent Contractor Decisions*

Payroll Tax Functions

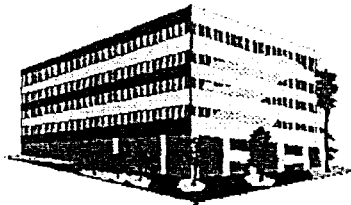
Phase II

-  ***Report Cost Benefit Analysis Findings & Recommendations***
-  ***Solicit additional input from stake holders***
-  ***Develop implementation plan***
-  ***Seek Legislative approval in 1997 to fully integrate functions***
 - ☒ ***Uniform laws***
 - ☒ ***Funding***

Payroll Tax Functions

Phase III

Integrated Functions



↓
Registration

↓
Wage Reporting

↓
Collection

↓
Audit

↓
Compliance

↓
Decisions & Appeals

Independent Contractors

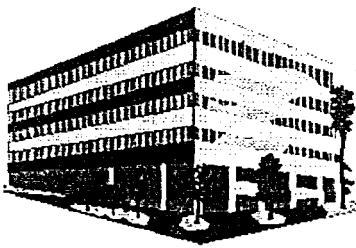
Decisions & Appeals - (Now)



Independent Contractor Issue Surfaces

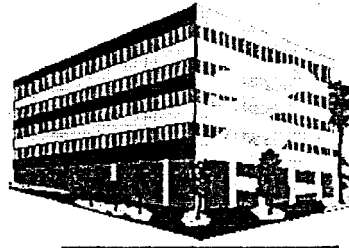
Programs Potentially Affected

(Appeals & Hearings are not unified between the agencies)



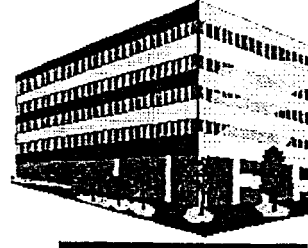
Workers Compensation
Insurance Compliance Section

Decision
↓
Appealed
↓
DLI Hearings
↓
BOLA
↓
District Court
↓
Supreme Court



Unemployment
Insurance

Decision
↓
Appealed
↓
DLI Hearings
↓
BOLA
↓
District Court
↓
Supreme Court



Department of
Revenue

Decision
↓
Appealed
↓
DOR Hearings
↓
Director
↓
STAB
↓
District Court
↓
Supreme Court

Each decision must be appealed in order to move to the next level

Independent Contractor

Employer Experience (Now)

Employer Contracts Work



4-1-92

U E F - Independent Contractor
Exemption Granted →



Becomes
Unemployed

4-1-93

Applies to DLI
for UI Benefits

UI Tax Investigation
(No wage credits)

Employer/Employee
Relationship Exists

UI Benefits
Paid



12-13-94

D O R Cross Match

Bill to
Employer

D O R Appeal

(Attempts to Appeal
UI Decision)

Hearings Officer Decision
Employer/Employee
Relationship Exists

Director

STAB

District Court

Independent Contractors

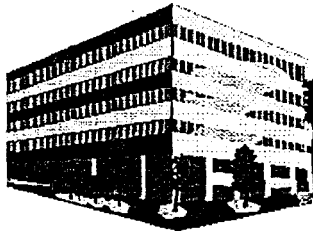
Decisions & Appeals - Phase I



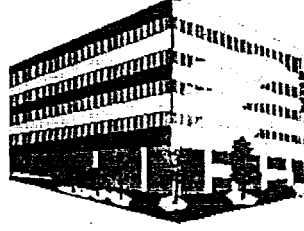
Independent Contractor Issue Surfaces

Programs Potentially Affected

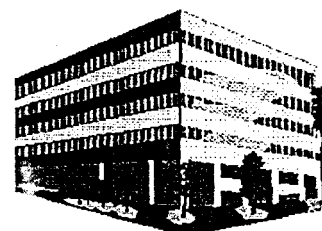
(Appeals & Hearings are unified)



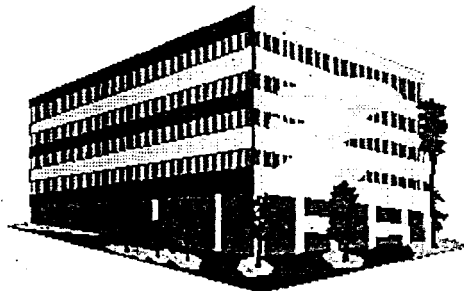
Workers Compensation
Insurance Compliance



Unemployment
Insurance



Department of
Revenue



Decision

Appealed

DLI Hearings

BOLA

District Court

Supreme court

Narrative to Accompany HB 3 Supplemental Appropriations

**Prepared by: LFA Staff
March 13, 1995**

SECRETARY OF STATE

The executive is recommending a proprietary fund supplemental appropriation of \$88,000 for the Secretary of State for costs incurred preparing and publishing for the 1994 general election. This amount is in addition to approximately \$25,000 of election expenses charged to the fiscal 1995 appropriation, including printing of the VIP and motor voter forms.

The original supplemental request of \$92,000 is being amended to reflect a \$4,000 reduction due to lower than anticipated communications costs associated with preparation for the election (amendment 2).

COMMISSIONER OF POLITICAL PRACTICES

The executive includes two supplemental budget requests for the Commissioner of Political Practices for fiscal 1995. One supplemental, unanticipated legal expenses, was added subsequent to the publication of the Executive Budget.

1) Implementation of I-118 - In the November 1994 election, voters passed Initiative 118. This initiative amends Montana's campaign finance laws to limit contributions to candidates for public office, forbid carryover of surplus campaign funds, restrict contributions to elected officials' leadership political committees, and include in-kind contributions within aggregate limits for contributions by political committees to state legislative candidates.

The executive originally recommended \$98,328 for this purpose. The General Government and Transportation subcommittee has recommended the addition of \$16,750 for various start-up expenses. This reduction is incorporated in an amendment to the bill (amendment 3).

2) Unanticipated Legal Expenses - The second amount requested of \$18,000 is for unanticipated legal expenses. Legal expenses exceeded the budgeted amount due to: a) an increase in complaints requiring investigation; and b) defense of a suit in district court.

to pay an estimated \$10.1 million for fiscal 1995 wildfire suppression. (These figures are the amended levels included in amendment 5). Not included in the supplemental request is \$9.0 million general fund spent by the Department of State Lands and the Department of Military Affairs from emergency appropriations authorized by the Governor under section 10-3-312(a) and (b), MCA. The executive request does not include an estimate of costs for fire suppression this spring.

During the subcommittee hearing on the fire supplemental request, the Department of State Lands presented testimony on updated figures as of January 3, 1995. It was stated at that time that because the state's cost of the Little Wolf fire was less than anticipated, the state may have to reimburse a part of the \$3.5 million already received from the Federal Emergency Management Administration. The executive request does not address the possibility of this additional cost.

Table 1
General Fund Supplementals for
Wildfire Suppression Costs

Biennium	Millions
1985	\$2.9
1987	3.7
1989	12.6
1991	3.0
1993	7.9
1995*	15.5

* Executive Budget request in HB 14 and HB 3. Does not include \$9.0 million of emergency appropriations authorized by the Governor and spent for wildfire suppression.

State and federal agencies assist each other in their wildfire suppression efforts and then bill each other for the costs. Any reimbursements from federal agencies and private/corporate entities (responsible for starting a fire) are deposited in the general fund. The executive estimates that \$3.9 million of general fund spent by the state to assist federal agencies will be reimbursed to the general fund. Since fiscal 1989, the legislature has appropriated some of these reimbursements to the department to fund additional administrative assistance when administrative personnel are doing work associated with fire suppression. An issue with this practice is raised in the Forestry Division "Executive Present Law" narrative in the Department of State Lands in the LFA Budget Analysis, Volume II.

The amount of wildfire suppression supplemental budget authority approved by the legislature has varied widely, as Table 1 shows. If the fiscal 1995 supplemental requests are approved, the total fire suppression costs for the 1995 biennium (including emergency appropriation expenditures) will be \$24.5 million, the highest ever.

DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES - Amendment 6

Swan River Boot Camp - The department requests \$103,465 of additional general fund appropriation authority in fiscal 1995 to increase security at Swan River Correctional Training Center (SRCTC). This request includes: 1) \$63,832 for 5.0 FTE correctional officers and related operating expenses and equipment; 2) \$7,398 for a contract with Lake County Sheriff's Office to have an officer based at SRCTC; 3) \$11,700 for overtime, benefits, and travel for MSP staff that are currently working at SRCTC in the place of trustees that have been removed from the facility; and 4) \$4,000 for jail costs for the removed trustees. This request includes \$7,000 for the following equipment: 1) key control; 2) a base station radio unit; and 3) 4 mobile radios. The department also requests \$4,535 to connect to the criminal justice information network (CJIN) and \$5,000 to implement a dress policy.

Personal services and operating expenses are pro-rated for the remainder of fiscal 1995 - March through June. Funding for the contract with the Lake County Sheriff's Office is included as of the beginning of February, 1995.

The department requests this funding to increase security at SRCTC in response to recent events at the facility. The legislature should note however, that three of the requested items: 1) mobile radios (for existing staff); 2) CJIN connection; and 3) dress policy, are not directly related to the change in staffing, and could have been requested during the regular budget process and appropriately evaluated during subcommittee.

The department submitted a new proposal to the Institutions and Public Safety subcommittee to fund ongoing costs and equipment replacement for the items requested in this supplemental proposal. The department requested \$234,284 in fiscal 1996 and \$235,098 in fiscal 1997. The subcommittee did not approve this new proposal.

MSH Reception Overflow - The legislature authorized in HB 2 an executive proposal to provide 31.0 FTE and funding to convert the old forensic building at the Montana State Hospital (MSH) campus into an 80 bed prison facility. The proposal originally requested \$1,024,576 in each year of the 1997 biennium.

Due to current overcrowding at MSP, the department requests that they be given authority to begin conversion of the building and recruitment of staff immediately, so that occupancy can occur as soon as possible. To accommodate the immediate start date, the executive reduced the amount requested in HB 2 for the 1997 biennium by \$300,000 and requested this amount in the supplemental bill.

The legislature authorized \$724,576 in fiscal 1996 and \$1,024,576 in fiscal 1997 in HB 2 to staff and operate the 80 bed facility on the MSH campus.

EXHIBIT 4
DATE 3-13-95
HB 3
FY94 DSL

FIRE COSTS AS OF 3/1/95

Appropriation Transfer (FY94)		\$ 373,874
SBAS Costs		10,614,964
Billed:		
US Forest Service	\$10,731,603	
MT National Guard	144,877	
Bureau of Land Management	612,022	
Fish, Wildlife, Parks	15,500	
MT State Prison	39,929	
Department of Justice	108,203	
DSL Aircraft Repairs	<u>159,912</u>	11,812,046
Estimated:		
US Forest Service	540,537	
(retardant, transportation, and regular army crews)		
Miscellaneous Vendors	<u>10,000</u>	<u>550,537</u>
Total Costs		\$23,351,421
Less:		
Emergency Fund	<7,416,000>	
HB14 Fire Supplemental	<5,000,000>	
Budgeted Salaries	<u>< 437,572></u>	<u><12,853,572></u>
		<u>\$10,497,849</u>
Amount Required in HB3		
Current Amount		\$ 7,700,000
Plus Adjusted Costs		<u>2,797,849</u>
		<u>\$10,497,849</u>
Federal Reimbursement Estimate		\$3,922,360
* * * * *		
Cost to the General Fund		
Emergency Fund		\$ 7,416,000
HB14		5,000,000
HB3		10,497,849
Budgeted Salaries		437,572
Less:		
Federal Reimbursement		<3,922,360>
FEMA Payment		<u><3,500,000></u>
Total		<u>\$15,929,061</u>

Testimony - Rick Day
House Appropriations
HB 3 Supplemental
March 13, 1995

The Swan River Correctional Training Center (SRCTC) is more commonly referred to as the Boot Camp. The 1993 legislative session agreed to convert the Swan River Forest Camp to a correctional boot camp. The Department, through extraordinary efforts of staff, began operating a correctional boot camp at the Swan location in July of 1993. The program included a trainee (30) and trusty program (10). The trainees were those inmates directly participating in the Boot Camp and eligible for sentence reduction, and the trusties (MSP inmates) were to provide support to operate the Camp.

The statistical success of the camp is still being debated, as although of the 78 graduated and only 4 have returned; on the other hand, about half of those initially admitted fail to complete the program. In addition, the cost per day at the Boot Camp (\$80) is about twice the cost per day at the men's prison. However, the average stay of those completing the Boot Camp is 90-120 days where the average release length of stay at MSP is 44 months.

In spite of the questions, there is one thing to which most seem to agree. Those participating in the program are clearly impacted. There has been dramatic evidence of this success through two inmates' acknowledgment to other serious crimes and the apparent continuing success of program graduates. But the numbers--although very significant--are small.

Then the tragic incident occurred at the camp which was already struggling with staffing difficulties and the start-up of two new correctional programs.

This brings us before the Committee today. At this point, the Governor and the Department are recommending a transition of the Boot Camp program to new facilities on MSP property. Some of the justifications for this move include:

1. Transportation costs (\$11,250)
2. Condition of the infrastructure at Swan (boiler replacement)

3. Staff retention, recruitment and housing shortage
4. A new facility designed for Boot Camp needs
5. Location at or near Conley Lake would still offer a "forest" atmosphere separated from the main prison
6. Food service could be addressed through the main prison
7. Laundry can be addressed through the main prison
8. Medical and psychological services are available through the main prison
9. Direct access to reception inmates allowing improved processing of Boot Camp intakes
10. Expanded career and training opportunities for Boot Camp and prison staff
11. Cooperation and support of prison maintenance staff.

The Department is requesting a supplemental of \$103,465 to improve staffing and security and offset emergency expenses in FY95. The Department further proposes to transition the Boot Camp program to the main prison complex and construct a facility to support this program at a location near Conley Lake Lodge complex. During the next biennium, the Department would discontinue the Swan trusty program, increase the trainee program to 60, and hire temporary or contract support for needed activities like food service and maintenance.

By comparison, the MSP Conley Lake option compares favorably to the original executive budget, and the expanded request which incorporated additional security. (Refer to Boot Camp options table.)

The Department proposes the complex at Swan be sold for a use more appropriate to the nature of the surrounding area. The Department intends to use bonding authority provided in HB 5 in the '93 Session for prison improvements to complete the needed construction. The Department presently estimates this construction will cost approximately \$2 million which is the authority available. This method of financing allows us to proceed immediately and does not effect this biennium's bonding program. Under this program, it is reasonable to project completion of the new Boot Camp in the '96-'97 biennium.

I hope this information brings the Committee up to date regarding the Boot Camp. I appreciate your patience as we worked through the difficult circumstances, and we hope the Committee can support the supplemental request and transition plan.

EXHIBIT 6
 DATE 3-13-95
 HB 3

Corrections Division Boot Camp Options:

	FY95 Supplemental	FY96 Total	FY97 Total	Total
Executive Budget Request:				
FTE	0.00	28.50	28.50	28.50
General Fund Cost	0	1,628,063	1,588,264	3,216,327
Executive Budget with Security Enhancements:				
FTE	6.00	34.50	34.50	34.50
General Fund Cost	173,545	1,862,347	1,823,362	3,685,709
Moving SRCTC to MSP Campus:				
FTE	5.00	24.50	24.50	24.50
General Fund Cost	103,465	1,546,403	1,531,528	3,077,931

Amendment to HB003

1. Page 2, line 8.
Following: line 7
Insert:

"COMMISSIONER OF HIGHER EDUCATION

Distribution Program	1995	849,978	General Fund
Vo-Tech Millage	1995	126,433	State Special"

Explanation

The 1993 Special Legislative Session appropriated all anticipated additional statewide six (6) mill levy revenue along with the fund balance in the millage account and reduced general fund on a dollar for dollar basis. In addition, the following language was added to HB002.

"Revenue received by the university system under the provisions of 20-25-423 that exceeds \$16,956,000 in fiscal 1994 and \$13,899,000 in fiscal 1995 is appropriated to the office of the commissioner of higher education and must cause a reversion of a like amount of general fund. **If revenue received under the provisions of 20-25-423 is less than \$16,956,000 in fiscal 1994 and \$13,899,000 in fiscal 1995, the office of the commissioner of higher education may request a supplemental appropriation** under the procedures contained in 17-7-301 for distribution to the university system."

This language was added to prevent the university system from benefiting if unanticipated additional millage revenue was collected and to protect the university system if millage collections fell short of the anticipated collections.

Fiscal 1994 and 1995 six mill levy collections have fallen short of the anticipated amounts by \$976,411. The one and one-half mill vo-tech levy is estimated to have a FY95 ending fund balance of \$126,433. This amendment requests a supplemental appropriation in the amount of the shortfall as provided in the HB002 language above.

Forest Land Taxation Project History

- > 1989 Session - HJR 24 Mandates study of forest land taxation in Montana.
- > 1989-91 Interim - Revenue Oversight Committee conducted hearings on forest land taxation and heard testimony from industry, University researchers, and others. Committee develops a committee bill changing system from a tax based on standing inventory of trees to one based on productivity classes. Without this change, existing forest tax would sunset and revert to the agricultural level, resulting in a 10 fold increase in tax to forest land owners. Committee bill submitted just before 1991 session.
- > 1991 Session - Bill to change tax system passes Natural Resources Committee and sent to Appropriations Committee for funding of the productivity class determination and implementation. Appropriations had no room in budget to fund this and I proposed, and forest industry supported, a 10 cents per acre fee for 3 years to fund this project. It passed with this funding mechanism and with a quick and dirty estimate by Forestry School researchers on productivity mapping of \$614,000, which became the appropriation.
- > Summer 1991 - Forestry School negotiated with DOR on a contract to do the required job. Only then did we learn that DOR would require mylar maps that could overlay county plat book maps (2900 maps at 4"/mile) instead of a paper map for each county. DOR also needed all roads, waterways, and public land ownership on the maps as well as the public land survey system. Revised estimate of costs was \$789,000. Negotiations continued for some time and compromises were made, but only \$614,000 was appropriated. Late in 1991 we proceeded with the project, because DOR needed the maps and the School was the only place in the country capable of doing it. All parties agreed to try for a supplemental.
- > Fall 1991 through 1994 - Project completed with close cooperation the last 2 years between School and DOR. Both were plowing new ground as nothing like this had ever been done. Two major unforeseen difficulties arose that were not accounted for: There was no public land survey system available as a digital data base for Montana, and the School had to construct one. It is now done and available to many agencies, like the Highway Department. The School also had to go back and check out manually, on air photos, all the forest/non-forest boundaries. DOR implements the new system for all forested lands in Montana.

State of Montana

Marc Racicot, Governor

EXHIBIT 9

DATE 3-13-95

HB 3



Department of Revenue

Mick Robinson, Director

P.O. Box 202701

Helena, Montana 59620-2701

January 11, 1995

To: Representative Bob Ream

From: Mick Robinson, Director
Department of Revenue

Mick

Re: Forest Land Flat Tax

As you requested, following is information on the fees collected from the imposition of the flat forest tax. This information is contained in the Department of Revenue Biennial Report, under "taxes levied for state purposes." The figures are as follows:

1991	\$ 354,677
1992	355,692
1993	<u>361,990</u>
TOTAL	\$1,072,359

The 1991 Legislature authorized the Department to spend \$980,838 on the project. The difference between fees collected and funds spent was \$91,521.

Dave Lewis, Director
Office of Budget and Program Planning
Room 237, State Capitol
Helena, MT 59620

Dear Dave,

We are nearing completion of the changeover to a forest land taxation system based on forest productivity. I am proud of the role that our Forestry School played in this process and that the process has worked. This was a pioneering effort and I think one that demonstrates how higher education and state government should work together. I say this despite the problems and pitfalls that both DOR and we experienced in working together on this project. My role in this was first as a sponsor of the bill (with Bob Brown carrying it in the senate), and second as a facilitator while I was Acting Dean of the Forestry School last year.

We were all breaking new ground when we launched into this process four years ago, and as you may recall, the whole thing almost crashed when we couldn't get a commitment for funding during the 1991 session. Then I suggested the 10 cents/acre fee for two years for all forest landowners to get it up and running. The Forestry faculty involved, did a quick and dirty estimate of what it would cost to produce forest productivity maps for each county and it came out to \$614,000, and that became the appropriation. After the session ended and we sat down to work with DOR on drawing up a contract, we found that our basis for estimation and DOR's expectations did not match. DOR felt they needed mylar maps for each township at a scale of 4"/mile, and they needed all roads, waterways, and land ownership on the maps. In order to meet DOR's quality objectives, we had to construct the public land survey system, which required many extra months of work. Dr. Kelsey Milner revised the cost estimate for the School and the new bare bones budget was \$738,000. Another unforeseen difficulty was identification of forest/non-forest boundaries, which could not be accomplished using satellite imagery alone, but had to be supplemented with air photo interpretation and manual digitizing of boundaries.

Dr. Milner assembled a top notch team of computer people to do the work, we bought the necessary equipment, and they launched into the work late in 1991. Mick Robinson recognized the magnitude of the task, the difficulties created by adding responsibilities to the contract, and the need for catching up on timelines

that had passed. We really appreciated his understanding. We all worked hard to see this to completion. However, we have run \$100,000 over the original contract amount of \$614,000. Together with DOR we explored funding possibilities with other agencies, but those proved to be unsuccessful or at most nickels and dimes. The Forestry School must get out from under this debt and I trust that you will make every effort to help us. We have no way of covering a deficit of this magnitude and ask for your help in making it up through a supplemental budget request.

The databases generated from this project are already in demand by other agencies and we have made them available through NRIS at the State Library. For example, the public land survey system for Montana had never been done in a uniform manner for the entire state. There are bound to be other spinoffs from this work. Other states have been looking over our shoulders with great interest. This approach to forest land taxation should save the state millions in the long run. Again, I think DOR and the Forestry School can be proud of the final product. Thanks for your consideration of this matter.

Sincerely yours,

Bob Ream

cc: Mick Robinson, DOR,
Senator Bob Brown
Dr. Kelsey Milner and Dean Perry Brown, Forestry School

TESTIMONY IN SUPPORT OF
HB 268
1.5% GUARANTEED ANNUAL BENEFIT ADJUSTMENT
PROPOSAL
on behalf of the
PUBLIC EMPLOYEES' RETIREMENT BOARD

EXHIBIT 10
DATE 3-13-95
HB 268

Presented by
Linda King, Administrator
Public Employees' Retirement Division

During the 1993 session, the Legislature enacted SB 192 which required the Public Employees' Retirement Board to:

"review the sufficiency of benefits paid by the system and recommend to the legislature those changes in benefits that may be necessary for retired members and their beneficiaries to maintain a stable standard of living." (19-2-404(9), MCA)

The GABA proposal submitted for your consideration by the Governor is the Board's recommendation required by that law. The Board fully supports and recommends enactment of this particular proposal because it will guarantee those changes in benefits necessary to maintain a stable standard of living, in a manner which will maintain the actuarial soundness of all the systems and in the most cost-effective manner possible. If the Governor had not proposed this legislation to you, the Board would have.

Previous "GABA" proposals were found to be too expensive by previous Legislatures. For example, a 1993 2% GABA proposal covering only PERS and TRS would have resulted in a \$16 Million state general fund impact in the coming biennium. This GABA proposal is different because it utilizes still another funding source to help fund the guaranteed benefit adjustments -- for all 8 systems at only a fraction of the cost of the previous proposal.

This "new" funding source is called "SAVINGS." By savings, we mean:

- **Funding Swaps.** There are currently particular benefits provided in most of the systems which are not found in the other systems and which cost a portion of the current funding of the system to provide. Such particular benefits can be "swapped" for a portion of the GABA, thus reducing the additional funding required for the GABA.
- **Excess System Funding.** By July 1, 1995, two of the retirement systems will actually be collecting contributions in excess of the amounts actuarially required to fund their current benefits. The excess amounts currently collected reduce the additional contributions required to fund GABA for those systems.
- **Extending Amortization Periods.** A portion of the contribution increases required to fund GABA can be reduced in certain systems which are well-funded and have amortization periods well within accepted actuarial funding standards. This will have the effect of extending the

AMMENDMENTS ADOPTED BY HOUSE STATE ADMINISTRATION COMMITTEE 26

► Amendments:

- Reduce GABA to a 1.5% annual increase, thus reducing employer and employee contribution increases.
 - Define "earned compensation" in the Teachers' Retirement System to mean base salary only and provide a mechanism for TRS members to retain credit for summer compensation in previous years.
 - State General Fund savings are used to pay the employer contribution rate increases for local governments and school districts.
- The state general fund will pay 100% of the cost of the GABA for school district and local government employees at a slightly lower level of total State General Fund commitment than in the original proposal. By the end of the 1999 biennium, the General Fund will pay 97% of school district costs and 86% of local government costs.
- Even if total TRS payrolls continue to increase at their historic high rate of 5.75% per year, the average increase per school district in FY 98 would only be \$350/year and in FY 99 and beyond will be less than \$450 per year. Because the cost/district is so minimal, it should be covered by retirement fund reserves or cash flows without increased mill levies.
- At historic inflation rates, (5.75% for TRS) total costs shared by over 800 local governments and school districts are projected to be:

<u>Fiscal Year</u>	<u>School Districts</u>	<u>Local Gov'ts</u>
1996	\$ -0-	\$ -0-
1997	\$ -0-	\$ -0-
1998	\$165,976	\$124,169
1999	\$211,102	\$128,147

- Projected annual costs in future years result from increases in payrolls due to additional employees and salary increases, not because of GABA. If payroll increases averaged no more than 2%, this proposal would have \$0 impact to local governments and school districts in the future.
- Assuming historic inflation rates for local government payrolls, the average annual cost per employee in FY 99 is projected to be only:

General Government	\$11/year
Police Officers	\$15/year
Sheriffs/deputies	\$15/year
Firefighters	\$24/year

These annual inflationary costs in FY 99 and beyond can be absorbed without increases in mill levies.

- The amendments have been reviewed and endorsed by PEPSCo -- the Public Employee Pension Security Coalition composed of a broad range of active and retired public employee organizations across the state.

Amendments to House Bill No. 268
Second Reading Copy

Requested by Rep. Chris Ahner
For the Committee on House Appropriations

Prepared by Sheri S. Heffelfinger
March 13, 1995

EXHIBIT 12
DATE 3-13-95
HB 268

1. Page 6, line 29.

Strike: "OR"

Insert: "and"

2. Page 7, line 1.

Strike: "REPORTED"

Following: "COMPENSATION"

Insert: "reported for fiscal years 1993, 1994, and 1995"

3. Page 7, line 2.

Strike: "3 YEARS OF"

4. Page 7, lines 9 through 11.

Strike: "AND" on line 9 through "(1)(B)" on line 10

Following: line 10

Strike: "TWO THIRDS OF THE AMOUNT AVAILABLE UNDER SUBSECTION (1)"
on line 11

Insert: "in the member's calculation of benefits two-thirds of the
actuarial value of the summer compensation available under the
provisions of subsection (1) or may elect to include in the
member's average final compensation two-thirds of the summer
compensation available under the provisions of subsection (1)"

5. Page 7, lines 12 through 14.

Strike: "AND" on line 12 through "SUBSECTION (1)" on line 14

Insert: "may elect to include in the member's calculation of
benefits one-third of the actuarial value of the summer
compensation available under the provisions of subsection (1)
or may elect to include in the member's average final
compensation one-third of the summer compensation available
under the provisions of subsection (1)"

6. Page 17, line 24.

Strike: "15.86%"

Insert: "16.21%"

7. Page 17, line 25.

Strike: "15.81%"

Insert: "16.06%"

8. Page 18, line 2.

Strike: "14.41%"

Insert: "14.51%"

Amendments to House Bill No. 485
3rd Reading Copy

EXHIBIT 13
DATE 3-13-95
HB 485

Requested by Representative Bergsagel
For the House Appropriations Committee

Prepared by Andrea Merrill
March 9, 1995

1. Title, line 5.
Strike: "EXPANDING"
Insert: "CHANGING"

2. Title, lines 6 and 7.
Following: "OFFICER;" on line 6
Strike: remainder of line 6 through "OFFICER;" on line 7

3. Title, lines 9 and 10.
Following: "FOR" on line 9
Strike: remainder of line 9 through "PLACES" on line 10
Insert: "INVENTORYING, DOCUMENTING, AND EVALUATING HERITAGE
PROPERTIES"

4. Page 1, line 24.
Strike: "13"
Insert: "nine"

5. Page 1, line 26.
Following: "history,"
Insert: "paleontology, historic property administration,
curation, planning; landscape architecture, conservation,
folklore, cultural anthropology, traditional cultural
property expertise,"

6. Page 1, line 28.
Following: "fields,"
Strike: "."
Insert: "; and"

7. Page 1, lines 29 and 30.
Strike: subsections (ii) and (iii) in their entirety
Renumber: subsequent subsection

8. Page 2, line 1.
Strike: "six"
Insert: "four"

9. Page 2, line 10.
Following: "SOCIETY"
Insert: ", who have demonstrated an interest in historic
preservation,"

10. Page 2, line 29.
Following: line 28
Insert: "(1) "Affected property owner" means a person or entity

whose real property will be physically affected by the activity of an applicant or whose real property is proposed for incorporation into a historic district proposed as eligible for listing in the National Register of Historic Places."

Renumber: subsequent subsections

11. Page 4, line 27.

Following: "consultation"

Insert: "-- public notice"

Strike: "finding to district court"

Insert: "findings"

12. Page 4, line 27 through page 5, line 7.

Strike: subsections (1) and (2) in their entirety

Insert: "(1) A federal or state entity that acts upon a proposed federal or state action or an application for a federal, state, or local permit, license, lease, or funding may request the views of the historic preservation officer concerning:

(a) the recommended eligibility for a register listing of any heritage property or paleontological remains;

(b) the effects of a proposed action, activity, or undertaking on heritage property or remains that are found to be eligible for register listing; and

(c) the appropriateness of a proposed plan for the avoidance or mitigation of effects.

(2) A request for comment pursuant to 16 U.S.C. 470(f) may be made simultaneously with a request pursuant to subsection (1). The historic preservation officer shall respond in writing to a request within 30 calendar days of receiving the request and shall address each property in the request and each topic of the request. In the event that an agency requests simultaneous consultation for two or more criteria under this section, the agency and historic preservation officer may extend the 30-day review period by mutual agreement. If the historic preservation officer fails to comment within that time, that failure is construed as concurrence with the agency's recommendation. In the event of failure to comment on a specific undertaking, the historic preservation officer may not change a finding for a heritage property at a later date."

13. Page 5, lines 16 through 22.

Strike: subsections (4) and (5) in their entirety

Insert: "(4) At the time that the state or federal agency requests the views of the historic preservation officer as provided in subsection (1), the agency shall provide notice to the applicant, affected property owners, and other interested persons of the request for consultation and shall identify locations where the submitted materials may be reviewed.

(5) The applicant and any affected property owners have 20 days in which to appeal the historic preservation officer's finding to the director. The appeal notice must include a written statement of reasons for the appeal and any additional supporting

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. HB 3
 DATE 3-13-95 SPONSOR(S) 192
550
268

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
MARK Simonich	DNR	HB 192		X
ROD SAGER	LABOR + INDUSTRIES	HB 550		X
Bob Ketchum	DSL	HB 3		✓
Jahn Decker	AMRPE + PESCO	HB 268		✓
Bob Bird	AMRPE	268		✓
Alve Thomas	RTA	268		X
maudee Sharp	MHS	HB 485		
TOM BILODEAU	MEA	HB 485 268		X
John Fitzgerald	Pegasus 601	485		X
Terry Minow	MFT	HB 485 268		X
Billy Molec	"	485 268		X
At Whitney	Assoc. of Retirees Pub. Empl.	HB 268		X
Keith Seaburg		HB 268		X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
 ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. _____
 DATE 3-13-95 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Vern Erickson	MT State Fireman's Assn	HB 268 471		✓
Pat Clinch	MT State Council Prof. Fire Fighters	HB 265 471		✓
WAYNE STAHL	PHILLIPS County	HB 485		✓
John T. Jakes	DWORO	8,27A		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By SENATOR GARY AKLESTAD, Chairman, on Tuesday,
March 28, 1995, at 8:00 a.m., Room 108.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. Loren Jenkins (R)
Sen. Ethel M. Harding (R)
Sen. Arnie A. Mohl (R)
Sen. Charles "Chuck" Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry J. Tveit (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Judy H. Jacobson (D)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Taryn Purdy, Office of Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 189, HB 3, HB 18, HB 603, HB 512, HB
576
Executive Action: HB 512, HB 603, HB 18, HB 189

HEARING ON HOUSE BILL 189

Opening Statement by Sponsor:

REPRESENTATIVE ERNEST BERGSAGEL, House District 95, Malta,
sponsor, said HB 189, the budget stabilization bill, would help

avoid special sessions by providing a fund that is set aside for fires, etc. He explained that a two-thirds vote would be required to take the money out of the savings account.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

When questioned by **SENATOR SWYSGOOD** where the money would come from to start the program, **REPRESENTATIVE BERGSAGEL** said it would be the ending fund balance. If there are excess funds, they would be put into the account but would preclude any tax relief offered. HB 189 is designed to avoid conflicting with the Governor.

In questioning by **SENATOR SWYSGOOD** at what point the ending fund balance dictates that the surplus goes in, **REPRESENTATIVE BERGSAGEL** said it is based on the LFA pre-session appropriation report.

SENATOR SWYSGOOD asked if a \$25 million ending fund balance was required but there was actually \$35 million, would the extra \$10 million go to this account.

REPRESENTATIVE BERGSAGEL replied yes, up to two and one-half percent of the total general fund for the biennium.

SENATOR AKLESTAD asked if this account would be above and beyond what the legislature would leave for an ending fund balance each and every session.

REPRESENTATIVE BERGSAGEL said it is an attempt to set up an emergency savings account for the state of Montana. He said the legislature could spend it with a two-thirds vote, and the Governor could spend it if there was a financial or fiscal emergency as defined in Section 1.

In answer to **SENATOR AKLESTAD'S** question as to whether the only money put in the stabilization account would be from the ending fund balance, **REPRESENTATIVE BERGSAGEL** said yes, when there is a revenue excess and it would not require an appropriation.

SENATOR MOHL asked what happens to the money at the end of the biennium if there was \$20 million in there and a new budget was started.

REPRESENTATIVE BERGSAGEL said the cap is 2 1/2 percent of general fund; and if the general fund goes, this account would also. He

said if the cap was \$25 million and there was a \$30 million surplus, the legislature would get \$5 million to spend and \$25 million would be kept in the account.

SENATOR JENKINS questioned line 29 of page 3 and asked if it was tied with subsection 2 of section 3 which says if you get over 2 1/2 percent, the excess is put into the school equalization account.

REPRESENTATIVE BERGSAGEL voiced concern that he misrepresented the bill and apologized. He said if there is an excess it would automatically go into property tax relief and the 40 mills is automatically reduced. If the general fund cap is \$25 million and there is \$5 million left over, that would be distributed statewide to reduce the 40 mills and does not go into the general fund.

When questioned by **SENATOR KEATING** if the supplementals were drawn down on the ending fund balance, **REPRESENTATIVE BERGSAGEL** said it would be his assumption that the supplementals would be dealt with before getting the legislative report.

Closing by Sponsor:

REPRESENTATIVE BERGSAGEL said he was sorry that he had accidentally misrepresented that section of law, and there is automatic property tax relief if there are excess funds. He said 44 other states have stabilization accounts.

HEARING ON HOUSE BILL 3

Opening Statement by Sponsor:

REPRESENTATIVE TOM ZOOK, House District 3, Miles City, sponsor, explained that HB 3 is a \$14.5 million supplemental bill.

Proponents' Testimony:

Bob Kuchenbrod, Administrator, Central Management, Department of State Lands, presented and explained a handout to the committee. **EXHIBIT 1** He said \$10,497,849 is what is needed through HB 3. The total cost to the general fund is \$15,929,061 and the federal government will pay approximately 32 percent of the total \$23 million. In discussions with the budget office it was decided that since there is approximately \$1 million in emergency funds through the Governor's Office, money would come from that fund in event there are spring fires to fight.

Opponents' Testimony:

None.

Informational Testimony:

Taryn Purdy, LFA, explained the summary for all specific supplementals being requested in this budget and said the appropriations for approximately \$10,000 for the Criminal Justice Information Network and implementation of a dress policy at Swan River Boot Camp were taken out by the House Appropriations Committee. **EXHIBIT 2**

Questions From Committee Members and Responses:

SENATOR CHRISTIAENS asked what it would cost to fight a typical fire such as the recent fire in Wolf Creek.

Mr. Kuchenbrod said the approximate cost is \$3,000 to \$4,000.

SENATOR SWYSGOOD, questioning the DSL Aircraft Repairs in **EXHIBIT 1**, asked if it is not budgeted through another appropriation process for repair and maintenance of aircraft.

Mr. Kuchenbrod said they work off the proprietary account. Flying for the fires is the cost to the state to the forestry division for sending the money when aircraft are used and is put into the proprietary account. It is a cost to the fire estimate plus the amount of money that goes into the proprietary account to support the air operations.

In answer to **SENATOR SWYSGOOD'S** question regarding the Department of Justice, **Mr. Kuchenbrod** said the Department of Justice estimate comes from two areas; (1) the fire marshall's overtime is charged to the fires; his regular time is not because he is paid by the general fund, and (2) the Highway Patrol for securing the roads, stopping traffic, and making sure the men get to the fires quickly.

SENATOR SWYSGOOD questioned if that is not part of their regular duties.

Mr. Kuchenbrod maintained that there is an agreement to reimburse them for anything that entails anything outside of the overtime, extra duty, etc.

When asked by **SENATOR SWYSGOOD** about the State Prison, **Don Artley, Department of State Lands**, said there are fire crews provided by the State Prison. **SENATOR SWYSGOOD** further questioned if they were paid at their regular prison rate, and **Mr. Artley** said they are paid normal fire fighter rates. That money is put into a savings account for the prisoners until they are released.

SENATOR SWYSGOOD asked about Fish, Wildlife and Parks, and **Mr. Kuchenbrod** said they are assistants to Department of State Lands in fighting the fires wherever it is deemed necessary.

In answer to **SENATOR SWYSGOOD'S** question of pay, **Mr. Kuchenbrod** said it would be overtime hours.

SENATOR JACOBSON asked if the five FTE's for the Swan River Boot Camp were contained in HB 2, and **Ms. Purdy** said she did not think they were.

SENATOR JACOBSON said although this bill hires five people to increase the security of the Swan River Correctional Training Center to replace the trustees they send back to jail, funding for those five FTE's is not included in HB 2, so it seems pointless to hire them for a few months and then lay them off.

SENATOR JENKINS commented that Swan River Boot Camp may not be in existence in a few months as there is talk about moving the Boot Camp to the prison.

SENATOR JACOBSON contended that there is no money in the budget to do that, and she objected to spending approximately \$80,000 to hire people that will be fired in a few months.

SENATOR TOEWS, questioned why the OPI supplemental was so high.

Kathy Fabiano, Office of Public Instruction (OPI), said the supplemental request is \$1.7 million, but they have written to the budget office saying they can lower it now by \$100,000, based on the first half claims for this fiscal year. The \$1.6 million supplemental is made up of \$800,000 that was transferred from FY 95 to FY 94 to make that payment. They estimated \$800,000, but ended up only using \$570,000 so the difference has already reverted to the general fund. She understood the budget office would request an amendment to the bill for the \$100,000.

SENATOR CHRISTIAENS asked why 31 FTE were needed between now and July 1 to convert the Montana State Hospital into an 80 bed prison facility.

REPRESENTATIVE ZOOK said the Appropriations Committee put the \$300,000 in because they are anxious to gain the use of the 80 beds as soon as possible. The other approximately \$700,000 is in HB 2 to continue with that for the first fiscal year.

When asked by **SENATOR CHRISTIAENS** how they could use 31 FTE when it hasn't been converted yet, **REPRESENTATIVE ZOOK** said they are going to use some prison labor to do this, and they also need some security people.

Bill Furois, Department of Corrections and Human Services, said putting the FTE's and the money in Fiscal 95 would allow them to recruit, get classes going, training, etc., in 1995 so they can actually open the doors the first day of July, FY 96. He explained that it will buy cots, clothing, bedding and hire and train staff.

SENATOR CHRISTIAENS asked when the 31 FTE's would be working, and **Mr. Furois** said a class would start sometime in April which is when they would go on salary.

SENATOR JENKINS asked **Mr. Furois** to explain the Swan River Boot Camp.

Mr. Furois said in HB 3 there are five FTE's that will cover both an expansion and a security problem at the Swan River Boot Camp. Three of the FTE's deal with security issues and two FTE's with expansion. If funding is provided, they want to hire people now and train them and hopefully keep them, but HB 2 is not currently funded with ongoing funding. There is bonding authority of approximately \$2 million construction authority from the prior biennium left to the Corrections Department. With that, they would be able to build a new facility, remodel the current place on the prison property and move the camp in late FY 97 to the State Prison property in Deer Lodge.

SENATOR JENKINS questioned **Dave Lewis, Office of Budget and Program Planning (OBPP)** on the SRS area in **EXHIBIT 2**. **Mr. Lewis** said that **REPRESENTATIVE COBB** wanted to take money out of AFDC in FY 95 and move it into the Child Support and Enforcement and Child Care Benefits area. **Mr. Lewis** added that was over the objections of the administration as they would like to use the AFDC money to possibly transfer to make sure there is not a problem in Family Services.

SENATOR KEATING asked **REPRESENTATIVE ZOOK** if the amount requested had been worked into the ending fund balance for this biennium prior to coming here.

REPRESENTATIVE ZOOK said the sheet showed approximately \$3 million on the ending fund balance.

In questioning from **SENATOR SWYSGOOD** if the \$17.9 million ending fund balance includes all of this supplemental, **REPRESENTATIVE ZOOK** said it includes approximately \$3 million over the estimate.

Closing by Sponsor:

REPRESENTATIVE ZOOK closed on HB 3.

HEARING ON HOUSE BILL 18

Opening Statement by Sponsor:

REPRESENTATIVE TOM ZOOK, House District 3, Miles City, sponsor, said HB 18 increases the statutory appropriation from \$3 million to \$10 million for emergency or disaster due to fire, adding that it doesn't count against the ending fund balance.

Proponents' Testimony:

Dave Lewis, OBPP, said they spent \$16 million on forest fires last summer, which was unanticipated, and they had to

aggressively manage the cash during the summer to avoid a special session. HB 18 would allow more room to manage the expenses of an unanticipated forest fire or other natural disaster and avoid calling a special session.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In answer to SENATOR JENKINS' question concerning the \$10 million, Mr. Lewis said the \$10 million was specified for fires.

Closing by Sponsor:

REPRESENTATIVE ZOOK closed on HB 18.

(HEARING RECESSED - 9:00 A.M.)

(HEARING RECONVENED - 9:30 A.M.)

{Tape: 1; Side: B; Approx. Counter: ; Comments: .}

HEARING ON HOUSE BILL 603

Opening Statement by Sponsor:

REPRESENTATIVE TOM ZOOK, House District 3, Miles City, sponsor, explained that HB 603 authorizes the university system to spend private funds they have or hope to receive, as well as exempting them from the bidding process in some cases. It covers the athletic field at MSU, the Prescott House at the University of Montana and gives Western Montana College some authority to renovate Vigilante stadium. He alleged that there are terms and conditions the university systems have to go through to get their projects approved. EXHIBIT 3

Proponents' Testimony:

Jeff Baker, Commissioner of Higher Education, testifying in support of HB 603, said the Regents considered all three projects and after discussion decided to go forward with the projects. From the standpoint of the university system, these are not always the types of projects they would necessarily like to see donors contributing to, but the projects are in response to donors who have an interest and want to move these various items forward in support of higher education. He affirmed that each of the three projects is being done without state money.

Rick Gustine, officer and member of the Executive Board of MSU Athletic Scholarship Association, urging support of HB 603, said they started discussing the stadium project at MSU last fall and it has generated a lot of support for the university.

Brad Daws, Businessman and past president of the MSU Athletic Scholarship Association, testified in support of HB 603.

Steve Wheeler, past president of MSU Athletic Scholarship Association, rose in support of HB 603.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

When questioned by **SENATOR BECK** about the private funds for the Pharmacy Building at the University of Montana, **REPRESENTATIVE ZOOK** stated that HB 603 does not cover that issue.

SENATOR BECK questioned if there was other spending authority so the Pharmacy Building could expend what they have raised in private funds.

REPRESENTATIVE ZOOK replied he did not think there was other spending authority. It didn't pass in the Long Range Building or the House Appropriations Committee.

SENATOR JENKINS questioned the auxiliary funds for the Prescott House.

REPRESENTATIVE ZOOK said that was funds left over from some arbitrage dealings on bonds, and they are given the authority to use those in HB 603.

In questioning from **SENATOR JENKINS** as to how much money has been raised for the complex at Bozeman, **Rob Spicer, Vice President, MSU**, said they have been engaged in a statewide public relations effort in discussing the project; however, they are holding back on starting the actual fund raising process until they get authorization from the legislature.

SENATOR BECK questioned the wording in section 4 which states that the University is prohibited from substantially altering or changing the configuration of campus drive.

Mr. Baker explained that the house sits on the east side of the campus and is more or less in the middle of the loop of the road, a congested traffic area where several accidents have occurred. When the original proposal was suggested on restoring the Prescott House, the idea was to straighten the road to the east of the house. That became a controversial issue and an amendment was proposed, and the university has committed that they will not

substantially alter the road. It is hoped this will diffuse the controversy and preserve the historical aspect of the house and the grounds. He explained that the idea is to take out some of the rough edges on the road so it is not such a 90 degree turn each time which would relieve some of the traffic congestion.

In questioning from **SENATOR AKLESTAD** as to where the dollars would go if they raised more than the specified amount, **Mr. Baker** said they would not exceed any authority they would have in the project. They would not take money from donors and allocate that money to projects or purposes that the donors had not intended. Any overage would only be used for projects related to issues of concern to those donors for which they would be giving the funds. He commented that he did not believe they would go over the allocated amount on any of the three projects in question.

SENATOR MOHL asked if they anticipated needing additional personnel for the projects and if they would have to come back for additional funds.

Mr. Baker remarked that issue was also raised with the Regents, and in terms of the services provided they do not anticipate needing more funds to operate and maintain the three facilities.

SENATOR MOHL said the increase in size would bring more money into athletics, and he questioned what would happen to the additional funding brought in.

Mr. Baker said conceptually it would mean a facility that would be more conducive, both in the Western situation and in Bozeman, to supporting athletic events that take place on those campuses. He commented that Western is a community project not only in the construction part, but also in utilization, as Vigilante stadium is used by the high school. In Bozeman, the idea is to have a greater multi-use project that would not only accommodate the kinds of activities that are ongoing, but also lend itself to additional types of activities in the future.

Closing by Sponsor:

REPRESENTATIVE ZOOK said it is important that people can donate money to the units of their choice, and the university system should be allowed to expend those funds. He affirmed that it is also important that the projects have the Regents' approval.

HEARING ON HOUSE BILL 512

Opening Statement by Sponsor:

REPRESENTATIVE ROGER DEBRUYCKER, House District 89, sponsor, said HB 512 takes fifty percent of the acquisition money for stream sites and puts it into weed control and maintenance. He explained that the bill sunsets in 1999.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In questioning from **SENATOR TOEWS** regarding other monies being spent for weed control, **REPRESENTATIVE DEBRUYCKER** said there are weed control districts through other departments. Fish, Wildlife and Parks spends money on weed control on other land they have, but this would be for maintenance of noxious weeds at fishing access sites.

SENATOR FRANKLIN questioned if there was a bill in the House that would coordinate weed control efforts.

REPRESENTATIVE DEBRUYCKER said that bill would coordinate the Departments of State Lands, Fish, Wildlife and Parks, and the Highway Department. In meetings with the Department of Fish, Wildlife and Parks, they said to take 50 percent of their acquisition money to use for maintenance and weed control on the fishing access sites and stream beds.

SENATOR SWYSGOOD said the bill **SENATOR FRANKLIN** was referring to was heard and passed in the Agriculture Committee.

When questioned by **SENATOR AKLESTAD** if HB 512 is tied to the bill heard in the Agriculture Committee, **SENATOR SWYSGOOD** said it requires the Departments of Fish, Wildlife and Parks, State Lands and anybody that currently has weed money to come up with a coordinated plan for the eradication of weeds.

Closing by Sponsor:

REPRESENTATIVE DEBRUYCKER said State Lands, Highway Department and Fish, Wildlife and Parks have a budget for weed control and they are trying to coordinate them.

HEARING ON HOUSE BILL 576**Opening Statement by Sponsor:**

REPRESENTATIVE ED GRADY, House District 55, sponsor, said HB 576 would remove \$208 million of double spending authority from HB 2. This money is currently shown as expenditures in at least two agencies and should be counted as a true expenditure of state government only once. It will eliminate listing \$65 million of pass-through money from local governments as a state expenditure. By truthfully reporting state spending, there will be a reduction

of \$340 million in total reported state spending. HB 576 requires the Budget office and the Legislative Auditor to continue reviewing state operations for the purpose of providing information to the legislature on the privatization of at least two state operations every session.

Proponents' Testimony:

Dave Lewis, OBPP, said the issue is to revise the accounting processes and procedures so money is only counted once. **Mr. Lewis** explained various section of the bill. In Section 1, the OBPP would do a continuous review of the possibilities of privatization of the operations and look at the costs and fees to see if they were competitive. They are required each biennium to recommend at least two of the operations for a privatization review from the legislative audit staff. Referring to Section 2, he said the gambling tax is about \$30 million that comes to the state, and \$20 million goes back to the city or county government where machines are located. That \$20 million has been included as a state expenditure, and HB 576 would change that so it wasn't counted as a state expenditure. Section 3, budget amendment requirements that were included in this bill were to address concerns about the subcommittee removing some of the empty spending authority. Language was added to state that if there were specific state laws that authorized an activity, even though that spending authority may have been in the legislative budget request of the Governor and had not been approved by the legislature, as long as there were state laws requiring the activity, they could review them as far as budget amendments were concerned. Section 4 eliminates the requirement in HB 2 appropriations for the internal service funds and enterprise type funds. It addresses the double spending, the problem with budget amendments and the issues counted as state spending, money that was collected and returned to local governments without an adjustment.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In answer to **SENATOR BECK'S** question, **Mr. Lewis** said they added up the enterprise and internal service funds in HB 2 and as reflected on the fiscal note, the money that has passed through the local government came to the \$340 million estimate. He said the billion dollars talked about further fund reclassifications that the legislative auditor had recommended. The accounting division is looking at doing other things administratively, but the \$340 million is the amount the statutory changes would reflect.

SENATOR AKLESTAD questioned if what the subcommittee did in certain areas is reflected in the \$340 million, and **Mr. Lewis** said that was correct.

Taryn Purdy said the highway money is all state special revenue, not proprietary and would not be counted in the \$340 million. She said ISD, Computer Services, Lottery money, all of the Secretary of State's funding, certain publications and graphics, and General Services Division are all proprietary funds, so various agencies would be affected by this bill. In order to implement HB 576, there would be a large amendment in HB 2 Conference Committee removing these funds from HB 2.

SENATOR BECK questioned if federal funds were addressed, to which **Ms. Purdy** said the federal funds would remain intact in the agencies that pay the bills.

SENATOR SWYSGOOD asked if the pass-through funds, such as the lottery, would include the refund to local government for the personal property tax reduction that is paid them.

Connie Griffith, Department of Administration, said the taxes referred to are taxes which come in that the state collects and then distributes a portion or 100 percent back to the counties directly. She said 50 percent of the gambling license fee tax goes back to the counties, 100 percent of the oil and gas local assistance tax is distributed back to the counties. The only money that will come in has to be money that is tax money and it has to be money that is not specified to be in another account. If it is specified to be distributed back to the general fund, it would not be included in this.

SENATOR SWYSGOOD commented that we currently reimburse local government \$17 million for the reductions made a few sessions ago in personal property tax. That is paid out of general fund monies which are tax dollars, and he questioned whether they would be included under this bill.

Mr. Lewis said that is a statutory general fund appropriation and would not be included. HB 576 would cover those dollars that are collected from a particular tax, and the fiscal note lists some of those.

When asked by **SENATOR BECK** if those are earmarked to local government, **Mr. Lewis** said they were.

SENATOR AKLESTAD questioned if SB 83 would apply since those funds are earmarked.

Mr. Lewis said it de-earmarks those taxes, and the taxes that go into the general fund are available for general appropriations and wouldn't be covered by this because anything in the general fund is available to be spent. It would have to be appropriated.

SENATOR AKLESTAD questioned if the gambling dollars would go directly to the county and wouldn't be calculated as an expenditure. **REPRESENTATIVE GRADY** said that was correct.

SENATOR SWYSGOOD commented that there is a double accounting process now where money is appropriated to one agency and they in turn send the same money back to another agency to pay for a service and they are both shown as appropriations. He voiced concern if this is reducing the total amount of the figure that state government shows as being a budget.

REPRESENTATIVE GRADY said it did in highways.

Mr. Lewis said this takes the money out of HB 2. It would still be accounted for in the accounting system and reported in the financial statements. It is stating that the legislature appropriates the money once.

Closing by Sponsor:

REPRESENTATIVE GRADY closed on HB 576.

EXECUTIVE ACTION ON HOUSE BILL 512

Motion/Vote: **SENATOR JENKINS** MOVED HOUSE BILL 512 BE CONCURRED IN. The motion CARRIED unanimously. **SENATOR WATERMAN** will carry HB 512.

EXECUTIVE ACTION ON HOUSE BILL 603

Discussion: **SENATOR AKLESTAD** remarked that on page 3, line 11, there would be a clerical change to show Section 4 as Section 5, so there would not have to be an amendment.

Motion/Vote: **SENATOR LYNCH** MOVED HOUSE BILL 603 BE CONCURRED IN. Motion CARRIED unanimously. **SENATOR SWYSGOOD** will carry HB 603.

EXECUTIVE ACTION ON HOUSE BILL 18

Motion: **SENATOR JACOBSON** MOVED HOUSE BILL 18 BE CONCURRED IN.

Discussion: **SENATOR KEATING** commented that it used to be considered spending authority for a contingency account and was a part of the budget balance, but he understood that this would no longer be a part of the budget balance.

SENATOR JACOBSON said there was some discussion when it was raised from \$3 million to \$10 million if it was necessary to account for part or all of it as a part of the ending fund

balance. She maintained that we have never counted the spending authority for supplemental money.

SENATOR KEATING said it was still a contingency fund.

SENATOR JACOBSON said it is a contingency fund but is not accounted for until after it is spent.

Vote: The motion to concur **CARRIED** unanimously. **SENATOR JACOBSON** will carry HB 18.

EXECUTIVE ACTION ON HOUSE BILL 189

Discussion: **SENATOR AKLESTAD** said HB 189 would establish a stabilization account of 2.5 percent of the total general fund expenditure to be put into this account. When that account gets to that, it would go into property tax relief.

Taryn Purdy said this would be money available for use by the legislature under an emergency situation to cover a revenue shortfall so that a special session would not be necessary. It would take a majority vote to change the law, but it takes a two-thirds vote of the legislature to spend any of the money.

SENATOR LYNCH questioned how it would stop a special session if it takes a two-thirds vote to spend it.

Ms. Purdy said the funds are statutorily appropriated to the Governor to use under specific situations.

In questioning from **SENATOR JACOBSON** if the Governor could spend the money but the legislature couldn't, **Ms. Purdy** said that was correct, however, he could only spend it for certain things.

SENATOR BECK questioned what a small fund would be, and **SENATOR AKLESTAD** said if it is a billion dollar general fund budget, 2.5 percent would be \$25 million.

Motion/Vote: **SENATOR KEATING** MOVED HOUSE BILL 189 BE CONCURRED IN. The motion **FAILED** on a roll call vote.

Motion/Vote: **SENATOR LYNCH** MOVED HOUSE BILL 189 BE TABLED. The motion **CARRIED**.

{Tape: 2; Side: A; Approx. Counter: ; Comments: .}

EXECUTIVE ACTION ON HOUSE BILL 576

Motion: **SENATOR BECK** MOVED HOUSE BILL 576 BE CONCURRED IN.

Discussion: Taryn Purdy said it is a question of what level of oversight the legislature wants to have and whether giving notice to the Legislative Finance Committee is sufficient oversight on funds that could have been considered or were considered.

SENATOR JACOBSON expressed interest in delaying action on HB 576 until March 29th so she could get more information on the bill.

Withdrawal of motion: SENATOR BECK WITHDREW HIS MOTION.

SENATOR JACOBSON said there is a legislative reorganization bill dealing with changing the budget amendment process, and she would like additional time to review both bills to see if there are any conflicts.

Ms. Purdy explained that Section 4 reduces the amount of the appropriation in HB 2 and shows up as an appropriation made by the legislature. As **Mr. Lewis** said, this is a double accounting issue, but there are some funds that are going to drop out of the budget that are not double accounted, such as lottery money. This would have oversight issues for the legislature. The bill does allow oversight in other ways and requires that those fees and charges be set that ISD makes to agencies. She said the LFA is interested in Subsection 9 because there are programs where some of the funding is proprietary and some is not. There will be some proprietary funds in the next budget if they are part of another program that has other funding sources.

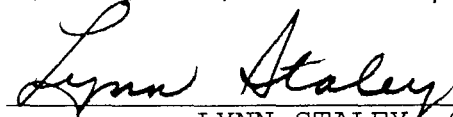
SENATOR KEATING commented that the Secretary of State's office has a fee program which is considered a proprietary account but is not a proprietary account, and he asked if that was affected by HB 576.

Ms. Purdy said the Secretary of State's office would not be in the budget from now on with HB 576. It is completely proprietary funded. HB 576 requires that the Department of Administration must approve any move to change accounting to proprietary funds.

ADJOURNMENT

Adjournment: 10:50 a.m.


SENATOR GARY AKLESTAD, Chairman


LYNN STALEY, Secretary

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

3/28/95

NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG	✓		
FRANKLIN, EVE	✓		
TVEIT, LARRY	✓		
JENKINS, LOREN	✓		
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL	✓		
TOEWS, DARYL	✓		
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN	✓		
BECK, TOM	✓		
AKLESTAD, GARY - CHAIRMAN	✓		

SEN:1995

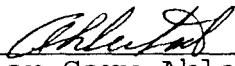
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 28, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 512 (third reading copy -- blue), respectfully report that HB 512 be concurred in.

Signed: 
Senator Gary Aklestad, Chair

 Amd. Coord.
En Sec. of Senate

Waterman
Senator Carrying Bill

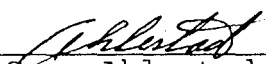
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 28, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 603 (third reading copy -- blue), respectfully report that HB 603 be concurred in.

Signed: 
Senator Gary Aklestad, Chair


Amd. Coord.
Sec. of Senate


Senator Carrying Bill

711423SC.SRF

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 28, 1995

MR. PRESIDENT:

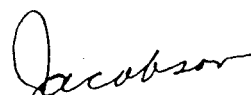
We, your committee on Finance and Claims having had under consideration HB 18 (third reading copy -- blue), respectfully report that HB 18 be concurred in.

Signed: _____


Senator Gary Aklestad, Chair

 Amd. Coord.

 Sec. of Senate


Senator Carrying Bill

711432SC.SRF

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/28/95 BILL NO. HB 189 NUMBER _____

MOTION: Senator Keating moved
that HB 189 be concurred in.
Failed

NAME	AYE	NO
SWYSGOOD, CHUCK		✓
BURNETT, JIM	✓	
MOHL, ARNIE		✓
JERGESON, GREG		✓
FRANKLIN, EVE		✓
TVEIT, LARRY		
JENKINS, LOREN	✓	
JACOBSON, JUDY		✓
LYNCH, J.D.		✓
HARDING, ETHEL		
TOEWS, DARYL	✓	
CHRISTIAENS, B.F. "CHRIS"		✓
WATERMAN, MIGNON	✓	
KEATING, TOM - VICE CHAIRMAN	✓	
BECK, TOM		✓
AKLESTAD, GARY - CHAIRMAN	✓	

FIRE COSTS AS OF 3/1/95

Appropriation Transfer (FY94)		\$ 373,874
SBAS Costs		10,614,964
Billed:		
US Forest Service	\$10,731,603	
MT National Guard	144,877	
Bureau of Land Management	612,022	
Fish, Wildlife, Parks	15,500	
MT State Prison	39,929	
Department of Justice	108,203	
DSL Aircraft Repairs	<u>159,912</u>	11,812,046
Estimated:		
US Forest Service	540,537	
(retardant, transportation, and regular army crews)		
Miscellaneous Vendors	<u>10,000</u>	<u>550,537</u>
Total Costs		\$23,351,421
Less:		
Emergency Fund	<7,416,000>	
HB14 Fire Supplemental	<5,000,000>	
Budgeted Salaries	<u>< 437,572></u>	<u><12,853,572></u> <u>\$10,497,849</u>
Amount Required in HB3		
Current Amount		\$ 7,700,000
Plus Adjusted Costs		<u>2,797,849</u> <u>\$10,497,849</u>
Federal Reimbursement Estimate		\$3,922,360
* * * * *		
Cost to the General Fund		
Emergency Fund		\$ 7,416,000
HB14		5,000,000
HB3		10,497,849
Budgeted Salaries		437,572
Less:		
Federal Reimbursement		<3,922,360>
FEMA Payment		<u><3,500,000></u>
Total		<u>\$15,929,061</u>

Narrative to Accompany HB 3

Supplemental Appropriations

Prepared by: LFA Staff
March 13, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 3/27/95

BILL NO. HB 3

SECRETARY OF STATE

The executive is recommending a proprietary fund supplemental appropriation of \$88,000 for the Secretary of State for costs incurred preparing and publishing for the 1994 general election. This amount is in addition to approximately \$25,000 of election expenses charged to the fiscal 1995 appropriation, including printing of the VIP and motor voter forms.

The original supplemental request of \$92,000 is being amended to reflect a \$4,000 reduction due to lower than anticipated communications costs associated with preparation for the election (amendment 2).

COMMISSIONER OF POLITICAL PRACTICES

The executive includes two supplemental budget requests for the Commissioner of Political Practices for fiscal 1995. One supplemental, unanticipated legal expenses, was added subsequent to the publication of the Executive Budget.

1) Implementation of I-118 - In the November 1994 election, voters passed Initiative 118. This initiative amends Montana's campaign finance laws to limit contributions to candidates for public office, forbid carryover of surplus campaign funds, restrict contributions to elected officials' leadership political committees, and include in-kind contributions within aggregate limits for contributions by political committees to state legislative candidates.

The executive originally recommended \$98,328 for this purpose. The General Government and Transportation subcommittee has recommended the addition of \$16,750 for various start-up expenses. This reduction is incorporated in an amendment to the bill (amendment 3).

2) Unanticipated Legal Expenses - The second amount requested of \$18,000 is for unanticipated legal expenses. Legal expenses exceeded the budgeted amount due to: a) an increase in complaints requiring investigation; and b) defense of a suit in district court.

DEPARTMENT OF TRANSPORTATION - Amendment 4

The executive originally requested a general fund supplemental of \$586,375 (\$315,000 to reimburse the highway special revenue account for expenditures incurred in fiscal 1994 and \$271,375 for fiscal 1995) associated with the ongoing McCarty Farms, et.al. class action lawsuit against Burlington Northern Railroad (BN). The General Government and Transportation subcommittee recommended that these costs be funded from the current fiscal 1995 highways special revenue appropriations, with the account reimbursed from any settlement received. This new funding is included in an amendment to the bill.

In the lawsuit, which was filed in September of 1980, the claimants are alleging that BN charged unjust and unreasonable rates for the shipment of grain in violation of 49 U.S.C. Section 10701(a). The claimants are seeking: 1) damages for the period of time BN is alleged to have charged unlawful rates; 2) a change in the manner in which BN sets its shipping rates in the future; and 3) recovery of litigation costs. The State of Montana, as one of the claimants, has pledged to fund the costs associated with providing expert testimony in the case. Legal fees are not the responsibility of the state. If they are successful in the final determination of this case, the law firm representing the claimants is asking that legal fees and all cost incurred by the State of Montana (plus interest) be included as part of any settlement with BN.

Since becoming a party in this lawsuit in 1980, the State of Montana has expended \$1.4 million from the general fund in pursuing this case through fiscal 1994. In addition to these funds in fiscal 1995, the executive has requested a total of \$400,000 in the 1997 biennium. To date, the Interstate Commerce Commission (ICC) has determined that: 1) BN had market dominance over wheat and barley shipments; and 2) BN shipping rates have exceeded a reasonable maximum; and 3) reparations are due. Both parties are now submitting briefs before the ICC to determine the extent to which BN shipping costs were excessive. Barring any legal delays, a ruling by the ICC is expected sometime in 1995. However, any ruling by the ICC is subject to appeal to the U.S. Circuit Court. Therefore, it is not known when the case will conclude or what the outcome will be.

DEPARTMENT OF STATE LANDS

The legislature usually does not appropriate any funds to suppress wildfires (other than personal services appropriated for other purposes but spent on fire suppression), but approves a supplemental appropriation to reimburse the department for appropriation transfers and actual and expected fire suppression costs.

The executive includes supplemental appropriations totalling \$10.5 million for the Department of State Lands to replace \$0.4 million of the department's fiscal 1995 general fund operating appropriation spent in fiscal 1994 for wildfire suppression

to pay an estimated \$10.1 million for fiscal 1995 wildfire suppression. (These figures are the amended levels included in amendment 5). Not included in the supplemental request is \$9.0 million general fund spent by the Department of State Lands and the Department of Military Affairs from emergency appropriations authorized by the Governor under section 10-3-312(a) and (b), MCA. The executive request does not include an estimate of costs for fire suppression this spring.

During the subcommittee hearing on the fire supplemental request, the Department of State Lands presented testimony on updated figures as of January 3, 1995. It was stated at that time that because the state's cost of the Little Wolf fire was less than anticipated, the state may have to reimburse a part of the \$3.5 million already received from the Federal Emergency Management Administration. The executive request does not address the possibility of this additional cost.

Table 1 General Fund Supplementals for Wildfire Suppression Costs	
Biennium	Millions
1985	\$2.9
1987	3.7
1989	12.6
1991	3.0
1993	7.9
1995*	15.5
* Executive Budget request in HB 14 and HB 3. Does not include \$9.0 million of emergency appropriations authorized by the Governor and spent for wildfire suppression.	

State and federal agencies assist each other in their wildfire suppression efforts and then bill each other for the costs. Any reimbursements from federal agencies and private/corporate entities (responsible for starting a fire) are deposited in the general fund. The executive estimates that \$3.9 million of general fund spent by the state to assist federal agencies will be reimbursed to the general fund. Since fiscal 1989, the legislature has appropriated some of these reimbursements to the department to fund additional administrative assistance when administrative personnel are doing work associated with fire suppression. An issue with this practice is raised in the Forestry Division "Executive Present Law" narrative in the Department of State Lands in the LFA Budget Analysis, Volume II.

The amount of wildfire suppression supplemental budget authority approved by the legislature has varied widely, as Table 1 shows. If the fiscal 1995 supplemental requests are approved, the total fire suppression costs for the 1995 biennium (including emergency appropriation expenditures) will be \$24.5 million, the highest ever.

DEPARTMENT OF JUSTICE

Litigation - HB 3 includes \$400,000 general fund in fiscal 1995 for litigation costs of two water rights cases, the Crow coal and Blackfeet cases. The agency is requesting this amount to supplement a HB 2 appropriation of \$400,000 for litigation costs. The general appropriations act from the last session contained language that the "legislature recognizes that costs associated with litigation in which the legal services division must provide representation to the state of Montana may exceed the appropriation provided in item 1c. In that event, the department will request a supplemental appropriation from the 1995 legislature to adequately represent the state."

Per Diem - HB 3 includes \$436,000 in fiscal 1995 from the highways special revenue account for prisoner per diem paid to local detention centers for prisoners arrested by the Highway Patrol. Legislation passed in 1991 replaced the \$20 per day boarding costs with "reasonable costs". Costs per day range from \$20 to \$40. The department states harsher jail sentences, individuals serving more of their sentences, more prisoners, and increases in daily rates account for the increasing costs. The agency made an appropriation transfer of \$174,000 from the highway patrol's fiscal 1995 appropriation to fiscal 1994 for the increased costs.

OFFICE OF PUBLIC INSTRUCTION

HB 3 includes a \$1,720,000 general fund supplemental to allow the state to reimburse school districts for transportation costs in accordance with the payment schedules set forth in 20-10-140, MCA; 20-10-142, MCA; and 20-10-145, MCA. In June, the Office of Budget and Program Planning approved a transfer of \$800,000 from the fiscal 1995 general fund appropriation for transportation into fiscal 1994 to cover the increased transportation payments to the school districts in fiscal 1994. The supplemental includes \$800,000 to replace the amount transferred and an additional \$920,000 for fiscal 1995. By statute the state must reimburse school districts for the transportation costs incurred by a school district in transporting eligible students to and from school.

According to the Office of Public Instruction, the increase in school transportation payments is due to a combination of: 1) additional bus routes; 2) growing number of students riding school buses; and 3) a decline in school district transportation cash reserves available to reduce the state's share.

In recent history there have been two general fund supplementals approved by the legislature for school transportation: 1) the 1987 legislature approved a supplemental of \$281,586 for fiscal 1987; and 2) the 1989 legislature approved a supplemental of \$215,000 for fiscal 1989.

DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES - Amendment 6

Swan River Boot Camp - The department requests \$103,465 of additional general fund appropriation authority in fiscal 1995 to increase security at Swan River Correctional Training Center (SRCTC). This request includes: 1) \$63,832 for 5.0 FTE correctional officers and related operating expenses and equipment; 2) \$7,398 for a contract with Lake County Sheriff's Office to have an officer based at SRCTC; 3) \$11,700 for overtime, benefits, and travel for MSP staff that are currently working at SRCTC in the place of trustees that have been removed from the facility; and 4) \$4,000 for jail costs for the removed trustees. This request includes \$7,000 for the following equipment: 1) key control; 2) a base station radio unit; and 3) 4 mobile radios. The department also requests \$4,535 to connect to the criminal justice information network (CJIN) and \$5,000 to implement a dress policy.

Personal services and operating expenses are pro-rated for the remainder of fiscal 1995 - March through June. Funding for the contract with the Lake County Sheriff's Office is included as of the beginning of February, 1995.

The department requests this funding to increase security at SRCTC in response to recent events at the facility. The legislature should note however, that three of the requested items: 1) mobile radios (for existing staff); 2) CJIN connection; and 3) dress policy, are not directly related to the change in staffing, and could have been requested during the regular budget process and appropriately evaluated during subcommittee.

The department submitted a new proposal to the Institutions and Public Safety subcommittee to fund ongoing costs and equipment replacement for the items requested in this supplemental proposal. The department requested \$234,284 in fiscal 1996 and \$235,098 in fiscal 1997. The subcommittee did not approve this new proposal.

MSH Reception Overflow - The legislature authorized in HB 2 an executive proposal to provide 31.0 FTE and funding to convert the old forensic building at the Montana State Hospital (MSH) campus into an 80 bed prison facility. The proposal originally requested \$1,024,576 in each year of the 1997 biennium.

Due to current overcrowding at MSP, the department requests that they be given authority to begin conversion of the building and recruitment of staff immediately, so that occupancy can occur as soon as possible. To accommodate the immediate start date, the executive reduced the amount requested in HB 2 for the 1997 biennium by \$300,000 and requested this amount in the supplemental bill.

The legislature authorized \$724,576 in fiscal 1996 and \$1,024,576 in fiscal 1997 in HB 2 to staff and operate the 80 bed facility on the MSH campus.

**ADJUSTMENT TO PREVIOUS BIENNIUM ENERGY SAVINGS TRANSFER -
UNIVERSITY OF MONTANA - Missoula and Montana State University-Billings --
Amendment 7**

The 1993 biennium appropriation to the University of Montana in HB 2 includes language requiring the transfer of \$260,865 to the energy conservation program account in the Department of Natural Resources and Conservation (DNRC). The transfer was required due to anticipated savings from energy improvements made as part of the State Building Energy Conservation Program, and would be used to retire general obligation bonds sold to fund the improvements. In an amendment to the introduced HB 3, the executive proposes that the required transfer amount be reduced to \$67,700, as delays in implementation of the energy improvements are anticipated to result in lower than anticipated savings in fiscal 1995. In a similar amendment, the executive proposes that the required energy transfer from MSU-Billings be eliminated due to delays in the project.

SOCIAL AND REHABILITATION SERVICES (Amendment)

A projected savings in AFDC and Emergency AFDC benefits was reappropriated for child support enforcement and child care benefits in SRS. General fund totals \$510,000 and federal funds total \$1,222,916. This increase is offset by a reduction in the 1995 biennium appropriation.

FORESTRY AND CONSERVATION EXPERIMENT STATION (Amendment)

General fund of \$48,977 was added for additional costs to the experiment station for work related to the forest land taxation project. Funds are collections from the flat forest tax in excess of the prior appropriation.

MONTANA UNIVERSITY SYSTEM (Amendment)

General fund of \$849,978 and millage of \$126,433 was added due to differences between actual millage collections and the 1995 biennium appropriations. Additional millage is appropriated to the colleges of technology due to higher collections of the 1.5 mill county levy. General fund is added to the six units to replace 6 mill levy not collected. Language in the 1995 biennium HB 2 allowed the university system to seek a supplemental if appropriations were higher than actual collections.

PRESCOTT HOUSE AND CAMPUS DRIVE
The University of Montana, Missoula**House Bill 603**

Private donations and student revenue bond funds (interest earnings on construction funds) will fully fund the restoration of the Prescott House, the realignment of Campus Drive and the development of additional parking on the east side of the campus. The work will be done at cost and with in-kind contributions, thereby significantly benefiting The University of Montana, Missoula. The contractor currently beginning work on the expansion of the Washington/Grizzly Stadium will be the contractor, provided the exemption from Title 18, Chapters 2 and 8 is authorized in HB 603. The Associated Students of The University of Montana, Missoula have unanimously endorsed the project.

The restoration and preservation of the Prescott House is the primary purpose of the project. The Prescott House, following its restoration, will provide general purpose meeting rooms and office space for the Center for Curriculum Development and Technology, a privately funded unit of the School of Education. In addition, the project includes the realignment of Campus Drive, thereby resolving a major safety problem and a barrier to students with disabilities. The realignment of Campus Drive will also permit the development of an additional 120 parking place for students, faculty, staff, and the general public. The additional parking spaces will also expand the availability of handicapped parking for persons with disabilities.

The project will be funded exclusively by private donations and interest earnings on the construction funds in the 1993 and 1995 student revenue bonds. No State funds and no Student Buildings Fees will be expended for the project. Up to \$1,000,000 will be available from interest earnings and the balance will be provided by private donations.

The restoration of the Prescott House and the enhancement of the related grounds are estimated to cost \$700,000, and private funds will be used exclusively for the restoration. The interest earnings on the construction funds will be expended exclusively on the development of parking, and, to the extent the realignment of Campus Drive provides additional parking, on the Campus Drive portion of the project. The development of additional parking and renovation of parking lots impacted by the project constitutes \$590,000* of the total project, while the realignment of Campus Drive has an estimated project cost of \$710,000.

The realignment of Campus Drive provides the opportunity for the development of much needed parking on the east side of campus. Without the realignment, a net loss of 28 parking spaces would occur even though an expenditure of \$300,000 would be required to compensate for the removal of the gravel parking lot on the grounds of the Prescott House and the renovation of existing parking impacted by the project.

*Note: The parking portion of the project includes the development of 120 new parking spaces and the renovation of 449 spaces, or a total of 569 spaces at a cost of \$1,037 per space.

DATE March 28, 1995

SENATE COMMITTEE ON Finance and Claims

BILLS BEING HEARD TODAY: House Bills 3 and 18 Rep. Zook

HB 189 Rep. Bergsagel HB 512 Rep. DeBruycker

HB 603 Rep. Zook HB 576 Rep. Grady

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Check One

Name	Representing	Bill No.	Support	Oppose
BOB KUHNENBROD	DSL	3	✓	
✓ ✓	✓	18	✓	
RICK GUSTINE		603	✓	
STAVE WHEELER		603	✓	
GRAD JAWS		603	✓	
Russ Rella		603	✓	
JEFF BAKER	OCIDE	603	✓	
Pat Graham	FWP	512	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By **SENATOR GARY AKLESTAD**, Chairman, on March 30, 1995, at 8:00 a.m., Room 108.

ROLL CALL

Members Present:

Sen. Gary C. Aklestad, Chairman (R)
Sen. Thomas F. Keating, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. James H. "Jim" Burnett (R)
Sen. Loren Jenkins (R)
Sen. Ethel M. Harding (R)
Sen. Arnie A. Mohl (R)
Sen. Charles "Chuck" Swysgood (R)
Sen. Daryl Toews (R)
Sen. Larry J. Tveit (R)
Sen. B.F. "Chris" Christiaens (D)
Sen. Eve Franklin (D)
Sen. Judy H. Jacobson (D)
Sen. Greg Jergeson (D)
Sen. John "J.D." Lynch (D)
Sen. Mignon Waterman (D)

Members Excused: None

Members Absent: None

Staff Present: Taryn Purdy, Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 490, HB 552, HB 493, HB 514, HB 528,
HB 544, HB 573
Executive Action: HB 573, HB 544, HB 552, HB 514, HB 490,
HB 3, HB 576

HEARING ON HOUSE BILL 490

Opening Statement by Sponsor:

REPRESENTATIVE CAROLYN SQUIRES, House District 68, Missoula, sponsor, indicated that HB 490 is a continuation of legislation

passed during the last session, dealing with retraining, relocation and registry for RIF'd employees. Because of reductions in state government, HB 490 was introduced to facilitate employment transition and address transition needs of RIF'd employees. She added that through January 31, 1995 the registry for employees has received 2,654 announcements; the number of job applicants referred were 1,566, and the number of applicants rehired into state government was 145.

Proponents' Testimony:

Lois Menzies, Director, Department of Administration, testifying on behalf of the Governor in support of HB 490, stated that HB 490 provides a modest package of benefits for employees who have been eliminated through employer actions. She concluded that protection should be offered for employees losing their jobs through no fault of their own and that HB 490 encourages reemployment of terminated employees by other agencies.

Mark Cress, Administrator, State Personnel Division, testified in support of HB 490 as a workable and successful program for employees laid off as well as for agencies in putting people back to work.

Phil Campbell, Montana Education Association, testified in support of HB 490 as being a good policy that he hoped would continue.

George Hagerman, Executive Director, American Federation of State, County and Municipal Employees, Montana Council 9, testifying in support of HB 490, stated he had seen the positive results of the employee protection act. Many former state employees laid off at Galen took advantage of the retraining and other benefits offered which he concluded has been administered effectively.

Phil Grossberg, supervisor of RIF registry, Helena Job Service, testified that the services provided under the RIF registry are extremely valuable and appreciated by the individuals receiving them.

Tom Schneider, Montana Public Employees Association, testified that HB 522 introduced during the last session relative to this program worked very well and added that HB 490 would also work very well.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In questioning from **SENATOR BURNETT** as to how HB 490 would apply to employees leaving state government on their own volition,

REPRESENTATIVE SQUIRES said those employees would not be eligible for those benefits. This bill would relate to those employees terminated because of a reduction in the work force.

SENATOR KEATING questioned line 2, page 3, "or other actions by the legislature".

Brian McCullough, Department of Labor and Industry, explained that when cuts were presented in agency budgets, there was concern if the language as already stated would capture those FTE's that were going to be cut. A request was made that the language be included to ensure that those FTE's agencies already had identified as being cut would be covered.

When questioned by **SENATOR TOEWS** if the retirement issue would be affected with the passage of GABA, **SENATOR SQUIRES** said the issue will continue to be in HB 490.

Mr. McCullough reported that the language relative to the purchase of years of services is consistent with the GABA language relative to calculating the costs.

SENATOR JENKINS questioned the relationship of HB 490 with other retirement legislation.

Mr. McCullough indicated that there are a couple of retirement systems that are having the provisions of buying the years of service being added. Because of HB 324, the coordination was necessary for some employees that did not always have the provision in their systems. If HB 324 passes, then HB 490 would provide that people RIF'd in those systems would be eligible for that same option regarding years of service purchased in their behalf.

In a question from **SENATOR JENKINS** regarding the fact that most sheriffs are elected, **Mr. McCullough** explained that there are a few state employees who are in the sheriff's retirement system. He affirmed that those sheriffs elected would not be covered.

SENATOR AKLESTAD questioned the stricken language on page 1, lines 21 and 22 dealing with employees of the 53rd legislature.

REPRESENTATIVE SQUIRES said there would have to be employment of at least six continuous months.

When asked by **SENATOR AKLESTAD** if legislative staff employed during the legislative session would not be included in HB 490, **REPRESENTATIVE SQUIRES** said that was correct.

Regarding page 5, lines 7 through 11 dealing with retroactive applicability, **SENATOR AKLESTAD** questioned the date of January 1, 1995.

Mr. McCullough alleged that was included because of Mountain View School. When asked by **SENATOR AKLESTAD** for a further explanation on the Mountain View situation, **Tom Schneider** said those employees are receiving their lay off notices during that six month period of time.

Mr. McCullough said while there could be an isolated situation of someone else coming in under that, it was directed toward Mountain View employees.

REPRESENTATIVE SQUIRES indicated that there was not downsizing during the period of time of HB 522, therefore HB 490 would cover those employees in this activity.

In questioning from **SENATOR MOHL** regarding the fiscal impact of HB 490 retaining one FTE at a biennium cost of \$78,816, **Mr. McCullough** said it would continue the FTE that provided this same service the last biennium which he added was a separate FTE.

When questioned by **SENATOR MOHL** if this would be an additional FTE, **Mr. McCullough** said it is an addition to the Department but is a continuation of a modified FTE from last session when HB 522 was enacted to start the registry. He concluded that it is basically reinstating that same FTE.

Referring to a question from **SENATOR MOHL** whether the \$78,816 is currently in any budget, **Mr. McCullough** said it was not.

Closing by Sponsor:

In closing, **REPRESENTATIVE SQUIRES** reiterated the importance of the job registry as providing a specific service. With the mandate to downsize state government, she concluded that employers should be responsible to state employees who provided good service.

HEARING ON HOUSE BILL 552

Opening Statement by Sponsor:

REPRESENTATIVE JOE QUILICI, House District 36, Butte, sponsor, explained that HB 552, requested by the general government subcommittee, would change the deposit of funds collected for the State warrant system from the special revenue fund to the internal service fund. He maintained this would give agencies incentives to save money in warrant writing costs.

Proponents' Testimony:

Tom Crosser, State Auditor's Office, testifying in support of HB 552, said a portion of the current program is funded with general fund money and a portion with state special money. The appropriation established during the last regular session was

based on an estimated number of warrants and an average warrant cost of approximately 41 cents each. It did not take into account that some transaction types are less expensive to process than a regular warrant. Currently there is no incentive to save money on the warrant writing costs because they are billed for a fixed amount of transactions at a fixed cost.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In questioning from **SENATOR KEATING** relative to total cost of warrant writing, **Mr. Crosser** said currently it is approximately \$780,000. The primary cost faced is postage which represents about 45 percent of the \$780,000 cost. Money would be saved if they could move from a mailing situation to an electronic fund transfer. While some warrants are issued for \$1 or \$2, some are issued for a penny. The cost of issuing the warrant for a penny was 56 cents. He claimed that regardless of the size of the warrant, the warrant has to be issued. An edit was put in to stop the issuance of any warrants under \$1 from being mailed. A warrant would still be generated at that point, but the agency generating the warrant would be asked if they wanted it mailed out.

When questioned by **SENATOR KEATING** if the electronic payment would go to a bank account, **Mr. Crosser** said that was correct, electronic fund transfer.

Closing by Sponsor:

In closing, **REPRESENTATIVE QUILICI** alleged while saving the state money, it also would fine-tune the warrant writing system.

HEARING ON HOUSE BILL 493

Opening Statement by Sponsor:

REPRESENTATIVE DAVID EWER, House District 53, Helena, sponsor, indicated that HB 493 would allow the state to create a new program to finance low cost loans for drinking water for Montana municipalities by authorizing the issuance of \$10 million in general obligation (GO) bonds to provide the state matching funds for the safe drinking water treatment revolving fund. It would also authorize the issuance of \$5 million in GO bonds to provide the state matching funds for the state waste water treatment revolving fund. The current wastewater revolving fund would essentially be analogous to it, provided that the federal government is involved. The federal government anticipates authorizing funding for this program in the same manner as funding was authorized for the wastewater revolving program.

REPRESENTATIVE EWER presented to the committee a copy of a report to Governor Racicot from the Water, Wastewater and Solid Waste Action Coordinating Team. **EXHIBIT 1**

Proponents' Testimony:

Ray Beck, Department of Natural Resources and Conservation (DNRC), testifying in support of HB 493, presented a document showing how wastewater funds have been used to date in the wastewater funding program, as well as copies of letters from communities supporting the program and the safe drinking water efforts. **EXHIBIT 2** He claimed that HB 493 would set up a loan program where low cost loans would be made to communities for safe drinking water and would add \$5 million in general obligation bond authority to the current state revolving fund in which the financial portion is administered by DNRC.

Mr. Beck presented a document given to him by **Gordon Morris**, Montana Association of Counties (MACo), indicating support from the Missoula County Commissioners. **EXHIBIT 3** He notified the committee that **Gordon Morris** wanted to be shown as a proponent to this piece of legislation on behalf of MACo.

Mr. Beck introduced **Anna Miller**, DNRC and **MaeNan Ellingson**, State's bond counsel.

Barbara Neuwerth, Department of Health and Environmental Sciences (DHES), testifying as a proponent to HB 493, emphasized that the program is the only program offering low interest rates, lower than any other program in the state. After the required match is met for the federal government SEA money, the revolved funds come back in and monies can be loaned at lesser interest rates.

Dan Keil, Tiber County Water District board member, also Board of Montana Rural Water Systems, and serving Montana as representative on the Board of the National Rural Water Association, testified in support of HB 493. He stated there was legislation to create a revolving loan fund similar to the revolving loan fund in the clean water act. HB 493 is necessary because the safe drinking water act will probably pass through Congress this year and they anticipate the revolving loan fund to be a part of that. Because the Montana legislature does not meet again until 1997, the state would be losing out on the availability of funds. On the last legislation, they anticipate there will be a moratorium on the states that haven't come up with their matching money.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR SWYSGOOD questioned why the Department of Health and Environmental Sciences (DHES) needed four people to manage the program and further what would happen if it was not funded.

REPRESENTATIVE EWER said if HB 493 passes, it would initially force the departments to deal with the programs with existing personnel and then have to come back. He said he would defer to **Bob Robinson, Director, Department of Health and Environmental Sciences**, as to why four people are needed in DHES.

Bob Robinson said they have reviewed it and are going to only ask for three people. This would add an entirely new component in the revolving fund program dealing with drinking water systems. They are able to absorb a certain degree of the program with existing staff but anticipate needing approximately three people by the end of the biennium. He maintained that if HB 493 passed, DHES could go to the HB 2 conference committee and ask that the employees be added to DHES or they could wait until the federal legislation passed and then ask the Budget Office (OBPP) to authorize an amendment to begin the program.

In questioning by **SENATOR SWYSGOOD** as to what the new people in DHES would be doing that is not currently being done under the safe drinking water act, **Mr. Robinson** said they would be doing the same functions as under the waste water act but more of it because of the significant new workload in dealing with drinking water systems.

When asked by **SENATOR SWYSGOOD** what DNRC would be doing in the program, **John Tubbs, DNRC**, said DNRC is the financial side of the program in which they issue the bonds for the state and assist in closing the loans for the communities receiving the loans. He maintained they have had new programs added over the last ten years with three positions lost in the department. With more loans for communities, they would need a loan officer. There is no loan officer for the wastewater program. The financial officer that has budget duties, state bonding duties and other duties has been doing the wastewater program.

SENATOR TOEWS referred to a letter from Kevin Dorwart, City of Glendive (included in **EXHIBIT 2**) that stated "after decades of artificially low rates there are no funds..." and asked why someone with those low rates should be funded.

REPRESENTATIVE EWER said there was some benefit to have safe drinking water throughout the state and added that the costs have gone up faster than the rate of inflation. He commented that if people in Montana feel they should be able to pay a certain uniform charge throughout the state for drinking water, there would have to be acceptance that subsidies are necessary in certain areas. Certain rural Montana areas with their low densities would not be able to afford the heavy capitalization required to provide safe drinking water. He concluded it is in

the public interest to have safe drinking water in our state and throughout America.

When questioned by **SENATOR TOEWS** why we are borrowing money through Indian tribes and why that has become a state responsibility, **Anna Miller, DNRC**, said federal legislation allows local government entities, including tribes. That was included in their enabling legislation so they could parallel what the federal tribes allow. She reported that this is a lending program, and money is borrowed that in turn is loaned to different communities and tribes. There is also a reserve set up in the program so the state is left in a very secure position. She concluded there is no impact to the general fund; the borrowers pay this back. Even the FTE are supported with administrative funds from the program.

In questioning whether we have ever borrowed money through the tribes and whether we are now in the process of doing that, **Ms. Miller** said she did not believe in our programs that we have ever borrowed money through the tribes, however they have worked with communities that have tribal housing on them.

SENATOR JENKINS asked where HB 493 stated that federal money was necessary before the program began.

REPRESENTATIVE EWER said the Board of Examiners would be the issuing body for the bonds. He proclaimed that was not actually stated in HB 493. Once money is borrowed, they have to begin paying it back. The state will not borrow money until there is a federal commitment. He concluded that there would be a tremendous dis-incentive to borrow money before the program was in place.

SENATOR JENKINS referred to Section 16, page 11, lines 26 and 27 describing state dollars only, which he felt would start up the program with \$10 million.

REPRESENTATIVE EWER said this \$10 million is not to be the seed money that has to be in first, but the state has to be able to match and leverage federal monies. He did not believe the state would start out issuing the full \$10 million. He said while he would defer to other people on this issue, once the bonds are sold, debt service has to be paid on them. It is the intention of the program that once loans have been identified that can be loaned out and there is the federal money, only then would bonds be sold. Once the bonds are sold, the money has to be lent out to begin getting payment. In a question from **SENATOR JENKINS**, **REPRESENTATIVE EWER** professed that the cheapest way to raise money is to have full faith in credit in bonds. While they have the general tax pledge of the state, they anticipate the actual users will pay as they currently are doing under the wastewater. He maintained that the general fund has not had to pick up one penny of debt service under the wastewater as it has been self-supporting.

In answer to a question from **SENATOR JENKINS** regarding the possibility of not coming in for loans and coming in for grants instead, **REPRESENTATIVE EWER** said the grant component was put in because they understood the federal government is considering a small grant component of the program so they wanted some authorization on that. He deferred that to DNRC to discuss what is further being contemplated.

Mr. Tubbs said the federal legislation has not been passed yet so there are unknowns being worked with. The way the original legislation was drafted is that it would only be under extreme hardship cases. There would be strict criteria on how the grants would be used.

SENATOR JENKINS asked **Mr. Beck** if there would be any problem tying the state money to federal money received before the state has money appropriated to this program.

Mr. Beck said the state would have the authority but anytime money is loaned, they are responsible for paying it back. They would not have the mechanism in place to do that. He alleged that all of their loan programs and bonds that they sell have to be approved by the Board of Examiners so there are safeguards there.

REPRESENTATIVE EWER said he would like to have **MaeNan Ellingson** comment on that issue.

MaeNan Ellingson, State bond counsel, said regarding Section 16, if the bill was approved by two-thirds vote it would authorize the creation of state debt. The sole purpose of the state debt would authorize providing the state's share of the drinking water program. If the drinking water program is not established by the federal government, there would be no valid purpose for incurring the state debt. Regarding Section 20, as with any of the state's GO bond programs, the Board of Examiners has to issue the bonds and in this case they will only do that on request of the DNRC for the specific purpose of providing money for the revolving loan program. Section 14 of HB 493, subsection (3) requires at the time bonds are issued that they have to be able to establish that the loan rates they can charge on potential loans are sufficient to pay the principal and interest on the bonds they are proposing to issue. The wastewater program has been established and at this time they have only issued two separate series for a total of \$5 million. At the time the bonds were issued, they need in line enough loans to know that they can make them at the appropriate rate to pay the debt service on the state's bonds when they come due. She concluded that all of those conditions work together to preclude the state from issuing the bonds until federal money is lined up to provide the match or that the state has to provide the match for, and also until they have a line of loans they know they can get and begin getting the money back in to cover the debt service on the state's bonds.

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When questioned by **SENATOR JENKINS** if there was any reference in HB 493 to federal money, **Ms. Ellingson** said the bill implicitly states that federal money has to be there because the state only has the authority to issue the state bonds to provide the state match for the federal dollars under the program. Without the federal dollars, the state is not in a position to provide match.

SENATOR KEATING said while the state has a wastewater revolving fund and this proposal will parallel that, he questioned if there were no loans under the state water revolving fund but that they were all grants.

Ms. Miller said this is a new program, so legislation has to be established to start getting loans. There is a grant component in this legislation because the federal government in their legislation has a part of that for hardship communities.

SENATOR KEATING said he was referring to the state wastewater revolving fund that is already proceeding, and he questioned if there had been loans in that program or if they were mostly grants.

Ms. Miller referred to the first page of **EXHIBIT 2** which shows all loans made to date in the various communities. She alleged that there is not necessarily any grant component currently in this program.

In questioning by **SENATOR KEATING** if the Treasure State Endowment is a drinking water program, **Mr. Tubbs** said that endowment can provide grants for water projects, wastewater projects, bridges. He said in answer to **SENATOR KEATING** that there are drinking water projects in the endowment program.

Mr. Tubbs proclaimed that the programs would work well together. The Treasure State Endowment is focusing on affordability, and this program would provide communities with the mechanism to get a greater extent of loan funds because it will keep the interest rates down until a certain level. At that time they may apply to the state for some grant funds. If loan rates can be kept as low as possible, that would mean that every community would need less grant funds to fix their systems.

SENATOR KEATING questioned why programs currently in place could not be expanded rather than creating a new program.

Mr. Tubbs replied that this is the creation of a program to meet federal requirements to receive the grant.

In a question from **SENATOR KEATING**, **REPRESENTATIVE EWER** said if \$10 million in bonds are issued, the state will get leverage of between \$80 and \$100 million.

When asked by **SENATOR KEATING** where the federal government would get their money, **REPRESENTATIVE EWER** said from taxes.

SENATOR KEATING asked if it would be simpler if the federal government didn't tax the people in the communities so they could build their own water facility without people in between filtering the money.

REPRESENTATIVE EWER claimed that we are a nation that thinks it probably makes sense for everybody to have safe drinking water so we have some subsidization.

SENATOR KEATING remarked that the federal government would have to borrow 20 percent of what they give to our state, and he alleged that it would be cheaper if there were not so many people involved and the community could do it by themselves.

REPRESENTATIVE EWER said while it may be cheaper, without this help the communities may not have the financial capacity to pay or may not be able to set rates and charges that would be fair.

When asked by **SENATOR SWYSGOOD** if the legislature would approve these loans, **REPRESENTATIVE EWER** said they would not.

Closing by Sponsor:

REPRESENTATIVE EWER, in closing, said HB 493 requires a two-thirds vote. He added that the state would have to demonstrate that there is adequate readiness for the wastewater revolving fund. Even though there was \$10 million authorized in 1991, the first bond issue was only \$2.5 million. A 1994 issue was \$2.2 million, and he concluded that rather than being done in an aggregate, it would be piecemealed out so that current demands could be met.

HEARING ON HOUSE BILL 514

Opening Statement by Sponsor:

REPRESENTATIVE ROGER DEBRUYCKER, House District 89, sponsor, stated that HB 514 would increase the value of projects for which the Department of Administration may prepare working drawings. The bill would raise the cost of construction to \$75,000 before a working drawing would be necessary.

REPRESENTATIVE DEBRUYCKER showed photographs to the committee depicting outhouse structures that had to be designed by Architecture and Engineering.

Proponents' Testimony:

Dave Mott, Montana Department of Fish, Wildlife and Parks, presented written testimony in support of HB 514. **EXHIBIT 4**

Opponents' Testimony:

Tom McNab, representing Montana Technical Council, presented written testimony in opposition to HB 514. **EXHIBIT 5**

Carl Schweitzer, Montana Contractors Association, testified in opposition to HB 514. He maintained that it is going in the opposite direction of privatizing state government and taking work out of the private sector and giving it to more state employees. Relative to the situation with Fish, Wildlife and Parks, they could look at different ways of contracting with engineers and architects; instead of on a per project basis, they could contract on a contingency basis rather than increasing the amount to \$75,000.

Questions From Committee Members and Responses:

When questioned by **SENATOR SWYSGOOD** regarding raising the amount to \$75,000, **Dave Mott** said the money saved would be more money for additional projects such as additional boat ramps, latrines, gravel roads and those types of projects.

SENATOR KEATING asked **Mr. Mott** how much money would be saved from engineering and other fees for the services.

Mr. Mott estimated there is about \$850,000 of smaller projects done statewide. With the estimate for working drawings, design and supervision of construction, it is an approximately 30 percent fee times \$850,000 which is a little less than a quarter of a million.

In questioning by **SENATOR KEATING** if engineering had to be done on each structure, **Mr. Mott** said when they pay for it, there is engineering on each structure. He added that with their available staff, by the time they work with the contractor on the little projects, the experience gained by Fish, Wildlife and Parks would allow them to get efficient at doing the projects themselves.

When asked by **SENATOR KEATING** if Fish, Wildlife and Parks anticipated being able to save \$200,000 or \$300,000 in their department with passage of HB 514, **Mr. Mott** said that was correct.

SENATOR KEATING asked **Mr. Schweitzer** how much the state spent on contracting and engineering on all state projects.

Mr. Schweitzer said he did not have any idea; that it could be better answered by Tom O'Connell of Architecture and Engineering.

When asked by **SENATOR KEATING** if it could possibly be a \$2 million savings to the state considering all departments, **Mr. Schweitzer** stated his opinion that additional staff would be added for additional design work. He remarked that might be offset by some of the savings.

SENATOR CHRISTIAENS said he would like to have someone available from the Department of Administration to question regarding allocation of charges to various projects.

In questioning from **SENATOR JERGESON** regarding a \$140,000 project at the experiment station in Havre that had to be put out for bids under the terms of this Act to a private architecture firm after \$40,000 was raised in the area for the project, **Mr. McNab** said there are ADA considerations in all types of construction. He said travel expenses for an architect have to be taken into consideration, as well as complying with uniform building code standards, fire ratings, heating system design, slope sighting for drainage. In building construction, there is a requirement that the architect or engineer are the representative of the owner on the site.

SENATOR MOHL stated there are differences in all designs, thereby necessitating a redesign of all situations.

Mr. Mott said it would depend on the nature of the work and the site. When asked by **SENATOR MOHL** to answer yes or no to the question, **Mr. Mott** said there is some variation in site.

When questioned by **SENATOR MOHL** who would be responsible if it is not a proper structure, **Mr. Mott** said he could not answer that question.

SENATOR MOHL questioned if Department of Fish, Wildlife and Parks had qualified in-house people to obtain soil samples, do engineering and design.

Mr. Mott alleged that they have staff in place and would not require additional staff to implement HB 514.

When concern was voiced by **SENATOR MOHL** if they are licensed people, **Mr. Mott** said they were licensed.

SENATOR JENKINS said he was required to have architects review a building on his site and after the drawings were done, he was advised of a problem. He questioned **Mr. McNab** relative to this issue.

Mr. McNab said without the exact circumstances, he could not make a qualified statement; however, if the architect or engineer had

done the initial job correctly, that problem should have been recognized.

When questioned by **SENATOR JENKINS** as to the liability of the architect, **Mr. McNab** said in bringing a liability case against an architect or engineer, there has to be proof that they were practicing outside the generally accepted standards in the area.

Closing by Sponsor:

In closing, **REPRESENTATIVE DEBRUYCKER** alleged that HB 514 is not a Fish, Wildlife and Parks bill and that other departments would also benefit from this legislation. Nothing would restrict a department from having an architect and engineering drawing done on the project but would state that it would not be necessary for a project under \$75,000.

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HEARING ON HOUSE BILL 528

Opening Statement by Sponsor:

REPRESENTATIVE LILA TAYLOR, House District 5, sponsor, explained that HB 528 would appropriate money received from Big Horn County to the Department of Transportation for the reconstruction of Montana Highway 314. A map of the area was presented by **REPRESENTATIVE TAYLOR**. **EXHIBIT 6** In alleging that the road is coal impacted, she presented an exhibit referencing a study done by Morrison-Maierle for the Big Horn County commissioners. **EXHIBIT 6a**.

REPRESENTATIVE TAYLOR also presented to the committee a copy of a letter received from the DNRC regarding the proposed reconstruction of a portion of Montana Highway 314. **EXHIBIT 7**

Proponents' Testimony:

Debra Johnson, Chairman of the Board of County Commissioner, Big Horn County, presented written testimony in support of HB 528. **EXHIBIT 8**

John Doyle, Big Horn County Commissioner, testifying in support of HB 528, asked that the funding come from the local impact fund. Without financial assistance, Big Horn County would not be able to restore the coal impacted Highway 314 to the safe condition that is necessary.

Bernard Red Cherries, Transportation Planner, Northern Cheyenne Tribe, testifying in support of HB 528, said the Northern Cheyenne Tribe would like to have the road repaired or rebuilt

because of the people travelling the road. The Tribe also would like the work done to the highest degree of workmanship allowable under state law so the road does not deteriorate. He concluded that the Tribal Council has accepted many resolutions relative to Highway 314.

Jim Mockler, Executive Director, Montana Coal Council, testified in support of HB 528 and added that he also was speaking on behalf of representatives from Spring Creek and Decker Coal companies. He said the residents are asking for basically one percent of the money they have generated to the economy and paid in taxes to assure good roads in the area. That could be accomplished by taking the earmarking of the \$4 million from the money originally allocated to the Coal Board for coal impacts and letting \$1 million for the next six or seven years so the county can bond and raise the \$10 million for building the road and ensuring safety of the people in the area.

Florence Young, Decker, Montana rancher, testifying in support of HB 528, said the road has been patched many times and continues to break up.

REPRESENTATIVE JAY STOVALL, House District 16, south of Billings, testified in support of HB 528 as a good investment for Montana as it is an area with potential development in the natural resources industry.

SENATOR REINY JABS, Senate District 3, testifying in support of HB 528, said the road in question is in his district and is in need of repair for safety reasons.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In questioning from **SENATOR JERGESON** as to how much the mill raises, **Debra Johnson** said the mill raises \$27,000.

SENATOR JERGESON questioned if there was a GVW weigh station on Highway 314.

REPRESENTATIVE TAYLOR responded that there is not a weigh station on Highway 314, and they have repeatedly asked the Department of Transportation for portable GVW scales in the area.

Regarding raising \$27,000, **SENATOR SWYSGOOD** questioned how many miles of road had to be maintained.

Debra Johnson said they certify over 1,300 in Big Horn County.

When asked by **SENATOR SWYSGOOD** what their total road budget is, **Debra Johnson** said it is about \$1 million.

SENATOR CHRISTIAENS asked about a bill introduced by **REPRESENTATIVE FISHER** reallocating some of the coal impact funds for this particular project.

SENATOR JENKINS said just over \$5 million went into the fund. The law states unless the money is appropriated, it automatically goes to the school equalization account. House Appropriations Committee took \$1 million out, contingent on the mine being opened at Roundup.

SENATOR CHRISTIAENS suggested that legislation should be looked at and the balance going to the project being addressed that is impacted in that coal area.

In questioning from **SENATOR WATERMAN** as to the amount of funds, **REPRESENTATIVE TAYLOR** said she discussed that with **Dave Lewis, OBPP**. It is her understanding that if some money is appropriated, they could possibly get other funds. There was discussion relative to getting federal dollars for the project, but she felt that would take money away from the state's total federal dollars.

When asked by **SENATOR WATERMAN** how much money currently would be raised in HB 528, **REPRESENTATIVE TAYLOR** said HB 528 currently has no money in it.

SENATOR JENKINS said in HB 2 if they move the money, it would go to the Coal Board and they would give the grants, therefore a separate bill would be needed.

When questioned by **SENATOR KEATING** if Highway 314 is on the state highway system, **REPRESENTATIVE TAYLOR** remarked it is a state secondary road.

Regarding the state's obligation, **REPRESENTATIVE TAYLOR** said when the middle section was done by the legislature about five years ago, Highway 314 was on the priority for the county. When that section was done, the rest of the road was still decent and they took it off the priority and put it on Highway 313, the road leading to Yellowtail Dam. She said that is the current priority, and if they could obtain funds the priority would be switched back to Highway 314 because the road is in disrepair.

In answer to **SENATOR KEATING**, **REPRESENTATIVE TAYLOR** said the road is paved through Wyoming. She explained that she had asked the Department of Transportation (DOT) about putting on overlay on the road, and **Marvin Dye, DOT**, said that would be wasted money.

In questioning from **SENATOR WATERMAN** regarding the Roundup situation, **Taryn Purdy** said the House Appropriations Committee appropriated the money and specified it could only be appropriated if the Roundup mine went into effect and recognized that if the Coal Board did not want to provide grants for that purpose, they would not have to do so.

SENATOR KEATING asked REPRESENTATIVE TAYLOR to explain the amount of money they are seeking.

REPRESENTATIVE TAYLOR said it would be \$10 million to do the top 13 miles. She maintained that there does not have to be any right-of-way bought because it was done 10 years ago. Gravel would have to be hauled from Hardin to build the base. When she asked the coal mine why their road held up, she was advised that the road was built to federal standards with a CTB base.

Closing by Sponsor:

REPRESENTATIVE TAYLOR closed on HB 528.

HEARING ON HOUSE BILL 544

Opening Statement by Sponsor:

REPRESENTATIVE CARLY TUSS, House District 46, Great Falls, sponsor, said HB 544 is an act appropriating money to the Board of Regents to provide financial assistance to resident nonbeneficiary students attending tribally controlled community colleges in Montana. It would provide requirements for receipt of money and provide for a reversion of unspent funds to the general fund.

Proponents' Testimony:

REPRESENTATIVE JOHN MERCER, House District 74, testifying in support of HB 544, said while it costs over \$4,000 a year to educate students in the state university system, the cost under HB 544 would be \$1,500 a year in these tribal colleges. Most credits received are transferrable. The bill would provide fee waivers for nontribal students in the tribal colleges.

Joe McDonald, Salish Kootenai College, presented written testimony in support of HB 544. EXHIBIT 9

Andrea Brockie, Vice President, Fort Belknap College, testifying in support of HB 544, said Fort Belknap College has many non-Indian students attending college who receive a good education.

REPRESENTATIVE JAY STOVALL, House District 16, testified in support of tribal colleges on the seven reservations in Montana as being very beneficial to our state.

SENATOR REINY JABS, Senate District 3, testified in support of tribal colleges in the state, adding HB 544 would help students that are not tribal members attend colleges.

SENATOR ETHEL HARDING, District 37, testifying in support of HB 544, said this is a fairness issue, that people are being

educated in these schools. Nontribal members are being accepted and receiving a good education in these schools.

SENATOR GREG JERGESON, Senate District 46, rose in support of HB 544 as being a cooperative and mutually beneficial arrangement for students to receive their first two years of education at these schools and then be well prepared for other units of the university system.

Dick Crofts, Deputy Commissioner for Higher Education, testified in support of HB 544. He noted that a recent study on opportunities for two year education ranked Montana near the bottom in percentage of opportunities, while the state ranked near the top for available opportunities for four year education. He claimed that the Board of Regents is committed to the expansion of two year education and they are establishing enrollment limits at four year campuses in an attempt to move them into colleges of technology.

SENATOR CHRIS CHRISTIAENS, Great Falls, testifying in support of HB 544, said native Americans makes up only 7 percent of the state population while Montana State Prison has a 21 percent native American population. He maintained that while education is a way to assist people in not falling into areas of crime, not enough money is given for this purpose.

Chris Landstrom, nonbeneficiary student at Salish Kootenai College in Pablo, testified that HB 544 is a bill preserving opportunities for an exemplary education for many people in Montana. It would make education available for many nontraditional students that would otherwise be unable to attend school. He concluded that this bill is a bargain for higher education costs in Montana and would result in better employment, higher wages and other benefits associated with a degree.

(At this point students from Salish Kootenai College rose and stated their names as being proponents to HB 544: **Debbie Demrie, Barbara Martinez, Linda Eikan, Jayne Yatchak, Charlotte Jackson, Donna Bick, Tessa Rhodes, Stacey Rhodes**).

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

SENATOR KEATING asked **Mr. Crofts** if he had any data showing how many Indian children are coming out of high school who can then use the tribal colleges for improving their education.

Mr. Crofts indicated that his study did not focus on the high school student coming to the tribal college, and he therefore did not have those numbers available. He added that quantitatively in terms of number of opportunities and qualitatively in terms of

learning environment in which the Indian students will be comfortable, tribal colleges are meeting that significant need.

In questioning from **SENATOR KEATING** as to percentage of capacity being utilized throughout the seven colleges in terms of enrollment and the ability to deliver the service, **Mr. McDonald** said they have 2,800 students in the seven tribal colleges. When asked by **SENATOR KEATING** about the capacity at the schools, **Mr. McDonald** said they have an expanding, collapsing capacity. He added that at Salish Kootenai they are about stretched to capacity.

When questioned by **SENATOR KEATING** regarding average age of students, **Mr. McDonald** said originally their average age was around 30, but with their building reputation they are getting younger students.

When asked by **SENATOR KEATING** if the transition from high school to college is becoming a matter of fact, **Mr. McDonald** said that was correct.

SENATOR SWYSGOOD questioned **Ms. Brockie** as to average enrollment at the Fort Belknap College.

Ms. Brockie said their maximum enrollment was last spring at 210 students; the past quarter was 190 students.

When asked by **SENATOR JENKINS** whether the colleges are two or four year schools, **Ms. Brockie** responded that Fort Belknap is a two year program. **Mr. McDonald** said the Salish Kootenai school has two bachelors programs at their college, or a four year program.

{Tape:2 ; Side: b; Approx. Counter: Comments: .}

Closing by Sponsor:

REPRESENTATIVE TUSS closed on HB 544, stating that the program is not a handout and Montana benefits from these college.

HEARING ON HOUSE BILL 573

Opening Statement by Sponsor:

REPRESENTATIVE JOHN COBB, House District 50, Augusta, sponsor, indicated that HB 573, at the request of the Department of Health and Environmental Sciences (DHES), would exempt from licensure tourist homes that rent or lease accommodations for 30 days or

fewer than a year. He explained that there are approximately 195 facilities licensed as tourist homes with most of them being bed and breakfasts, and less than 5 appear to be home or cabin rental.

REPRESENTATIVE COBB presented an amendment requested by **DHES** regarding the establishment not serving prepared meals. **EXHIBIT 10**

Proponents' Testimony:

Bob Robinson, Director, DHES, testifying as a proponent to **HB 573**, stated that the proposed amendment of **REPRESENTATIVE COBB EXHIBIT 10** would further clarify the intent of the legislation.

Stuart Doggett, Montana Innkeepers Association, rose in support of **HB 573** with the proposed amendment **EXHIBIT 10**.

Opponents' Testimony:

Bobbie Uecker, co-owner of Sanders Bed and Breakfast, Helena, testified in opposing to **HB 573**, but indicated her support of language stating that bed and breakfasts serving prepared food would be subject to regulations. She questioned the use of the term "prepared food". Other regulations that she described as important would be fire safety regulations. She concluded that it would be difficult to enforce how many days a bed and breakfast or cabin is open a year.

Questions From Committee Members and Responses:

SENATOR CHRISTIAENS questioned if rather than laws regarding bed and breakfasts, that all regulations relating to them have been established by rule.

Mr. Robinson said all guidelines with the exception of language currently before the committee consists of all of the law regarding tourist homes that is in the statute.

When asked by **SENATOR CHRISTIAENS** how **DHES** has jurisdiction of bed and breakfasts when they are not covered by law, **Mr. Robinson** said bed and breakfasts are covered under law in that they are classified as a tourist home.

SENATOR CHRISTIAENS maintained that has been by rule rather than by statute.

Mr. Robinson said bed and breakfasts meet the definition of a tourist home and are in fact licensed as tourist homes which is created under law. The regulations they operate under as far as food preparation, et cetera, are mostly established by regulation.

SENATOR CHRISTIAENS noted that Great Falls bed and breakfasts received notices from DHES that they were in violation of law even though the County health department has inspected and licensed every bed and breakfast.

Mr. Robinson explained that when the County licenses a bed and breakfast, they submit that back to DHES as a tourist home license.

SENATOR CHRISTIAENS stated his opinion that there needs to be some statute, adding that County health departments are not enforcing the rules that bed and breakfasts are supposedly in violation of because there is nothing in law.

Mr. Robinson related that the president of the Montana Bed and Breakfast Association helped draft the proposed amendment **EXHIBIT 10** and has asked DHES to work with the association to create for the 1997 legislature a specific law clarifying the role of bed and breakfasts.

Closing by Sponsor:

REPRESENTATIVE COBB closed on HB 573.

EXECUTIVE ACTION ON HOUSE BILL 573

Motion/vote: SENATOR CHRISTIAENS MOVED THAT HB 573 BE TABLED.
Motion **FAILED** on a voice vote.

Discussion: SENATOR CHRISTIAENS maintained that every landlord renting a dwelling to a legislator for over 30 days would be in violation of the law if HB 573 is passed.

SENATOR WATERMAN remarked that since the rules are going to be addressed during the next two years, it would be better to wait until the next legislative session to deal with this issue.

Motion/Vote: SENATOR WATERMAN MOVED THAT HB 573 BE TABLED.
Motion **CARRIED** on a roll call vote.

EXECUTIVE ACTION ON HOUSE BILL 544

Motion: SENATOR WATERMAN MOVED THAT HB 544 BE CONCURRED IN.

Discussion: When questioned by SENATOR KEATING if it is part of the university budget, CHAIRMAN AKLESTAD explained that it is a separate appropriation.

Vote: SENATOR WATERMAN'S motion that HB 544 BE CONCURRED IN CARRIED UNANIMOUSLY. SENATOR HARDING will carry HB 544 on the Senate floor.

EXECUTIVE ACTION ON HOUSE BILL 552

Motion: SENATOR JENKINS MOVED THAT HB 552 BE CONCURRED IN.

Discussion: Taryn Purdy pointed out that HB 552 relates to action that later will be taken on HB 576. It would go to an internal service fund if HB 576 is passed.

When questioned by SENATOR KEATING if the internal service fund is a proprietary fund, Connie Griffith, Department of Administration, said this should be a proprietary fund whether or not HB 576 passes because it meets those requirements. It currently is being handled as both special revenue and general fund which is not the most efficient way.

In questioning from SENATOR BECK if rather than an internal service fund it should be a proprietary fund, Ms. Griffith contended that internal service fund is a proprietary fund so an amendment would not be necessary.

SENATOR CHRISTIAENS explained that HB 552 as written would require an amendment.

Ms. Griffith alleged that it would be taken care of when HB 552 and HB 576 are put together.

Vote: SENATOR JENKINS' motion that HB 552 BE CONCURRED IN CARRIED UNANIMOUSLY on a voice vote. SENATOR JENKINS will carry HB 552 on the Senate floor.

EXECUTIVE ACTION ON HOUSE BILL 514

Motion/Vote: SENATOR BURNETT MOVED THAT HB 514 BE CONCURRED IN. Motion CARRIED with SENATOR LYNCH opposed. SENATOR BURNETT will carry HB 514 on the Senate floor.

EXECUTIVE ACTION ON HOUSE BILL 490

Motion: SENATOR WATERMAN MOVED THAT HB 490 BE CONCURRED IN.

Discussion: SENATOR SWYSGOOD questioned why it would be terminated in two years rather than being a permanent part of the process.

Motion: SENATOR SWYSGOOD MOVED TO AMEND HB 490, STRIKE SECTION 13.

Discussion: CHAIRMAN AKLESTAD commented that he was informed by Ms. Purdy that HB 490 would have to be reviewed with the proposed amendment to see how it would be impacted.

Withdrawal of Senator Swysgood motion: SENATOR SWYSGOOD WITHDREW HIS AMENDMENT MOTION.

Vote: SENATOR WATERMAN'S motion that HB 490 BE CONCURRED IN CARRIED with SENATORS AKLESTAD, BURNETT, TVEIT OPPOSED. SENATOR JACOBSON will carry HB 490 on the Senate floor.

EXECUTIVE ACTION ON HOUSE BILL 3

Motion: SENATOR TOEWS MOVED TO AMEND HB 3. EXHIBIT 11

Discussion: SENATOR TOEWS said the amendment EXHIBIT 11 would reduce the supplemental appropriation for school transportation by \$100,000 to reflect revised estimates that are now available.

Vote: SENATOR TOEWS' amendment motion EXHIBIT 11 CARRIED UNANIMOUSLY.

Motion: SENATOR JACOBSON MOVED TO AMEND HB 3. EXHIBIT 12

Discussion: SENATOR JACOBSON indicated that EXHIBIT 12 would make the funding for the additional FTE at Swan River contingent on them being continued in HB 2.

When questioned by SENATOR WATERMAN if the figure in the amendment EXHIBIT 12 was a typographical error, Ms. Purdy said the correct figure should be \$63,832.

Vote: SENATOR JACOBSON'S amendment motion EXHIBIT 12 CARRIED with SENATORS BURNETT, SWYSGOOD opposed.

Motion: SENATOR WATERMAN MOVED THAT HB 3 AS AMENDED BE CONCURRED IN.

Discussion: When questioned by SENATOR SWYSGOOD if training costs are included, SENATOR JACOBSON indicated they are not.

Vote: SENATOR WATERMAN'S motion that HB 3 AS AMENDED BE CONCURRED IN CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 576

Motion: SENATOR KEATING MOVED THAT HB 576 BE CONCURRED IN.

Discussion: CHAIRMAN AKLESTAD asked Ms. Purdy to explain an amendment that was drafted by the LFA. EXHIBIT 13

Ms. Purdy said language in the original bill on page 4 somehow was changed, and the proposed amendment EXHIBIT 13 puts it back to the old language dealing with the Legislative Auditor's review of agencies to determine that internal service fees are commensurate with the GAAP policies.

Motion/Vote: SENATOR CHRISTIAENS MOVED THE AMENDMENT TO HB 576. EXHIBIT 13. Motion to amend CARRIED UNANIMOUSLY.

Discussion: Ms. Purdy explained a list of programs EXHIBIT 14 that are currently proprietary funded. Under HB 576, they would no longer appear in HB 2. The legislature would not review the budget of any of these programs but would look at the fees and charges made by these programs and set those fees and charges for them to operate under. There would be certain flexibility to operate within that structure. Some of the items are double appropriated in the bill where agencies pay for those costs, and they show up again when the receiving agencies pay them. A couple of them are strictly one time appropriated, but they would come out of HB 2.

When asked by SENATOR SWYSGOOD what HB 576 was trying to accomplish, CHAIRMAN AKLESTAD remarked that it was an attempt to deal with some of the problems with double accounting between OBPP and LFA.

Ms. Purdy said there are certain funds received in taxes and then given directly back to those collecting agencies that now would be classified as fiduciary funds, and fiduciary funds do not appear in HB 2. She explained that HB 576 changes the budget amendment law to allow the approving authority to budget amend certain funds that they cannot do.

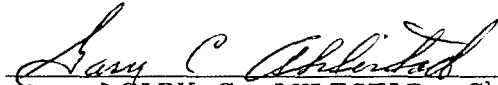
SENATOR JACOBSON said certain funds that would not be shown anywhere would be the proprietary funds. They would not be in HB 2, and the legislature would not be making decisions on them. She indicated that the budget amendment process would be loosened up.

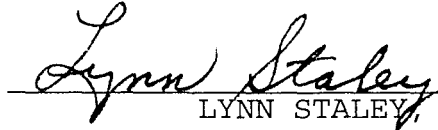
Withdrawal of motion: Because of concern over the proprietary funding, SENATOR KEATING WITHDREW HIS MOTION THAT HB 576 BE CONCURRED IN.

Motion/vote: SENATOR WATERMAN MOVED THAT HB 576 AS AMENDED BE CONCURRED IN. Motion FAILED ON A TIE ROLL CALL VOTE.

ADJOURNMENT

Adjournment: 12:00 noon..


GARY C. AKLESTAD, Chairman


LYNN STALEY, Secretary

GCA/LS

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

3/30/95

NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG	✓		
FRANKLIN, EVE	✓		
TVEIT, LARRY	✓		
JENKINS, LOREN	✓		
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL	✓		
TOEWS, DARYL	✓		
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN	✓		
BECK, TOM	✓		
AKLESTAD, GARY - CHAIRMAN	✓		

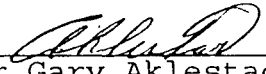
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 30, 1995

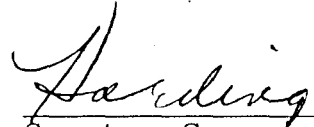
MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 544 (third reading copy -- blue), respectfully report that HB 544 be concurred in.

Signed: 
Senator Gary Aklestad, Chair

 Amd. Coord.

 Sec. of Senate


Senator Carrying Bill

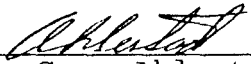
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 30, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 552 (third reading copy -- blue), respectfully report that HB 552 be concurred in.

Signed: 
Senator Gary Aklestad, Chair

 Amd. Coord.

GC Sec. of Senate


Senator Carrying Bill

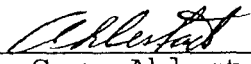
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 30, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 514 (third reading copy -- blue), respectfully report that HB 514 be concurred in.

Signed: 
Senator Gary Aklestad, Chair


58

Amd. Coord.
Sec. of Senate


Senator Carryng Bill

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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 30, 1995

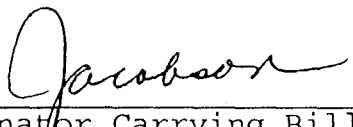
MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 490 (third reading copy -- blue), respectfully report that HB 490 be concurred in.

Signed: 
Senator Gary Aklestad, Chair

 Amd. Coord.

78 Sec. of Senate


Senator Carrying Bill

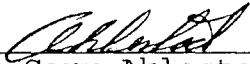
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 30, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 3 (third reading copy -- blue), respectfully report that HB 3 be amended as follows and as so amended be concurred in.

Signed: 
Senator Gary Aklestad, Chair

That such amendments read:

1. Page 2, line 26.

Strike: "1,720,000"

Insert: "1,620,000"

2. Page 4, line 7.

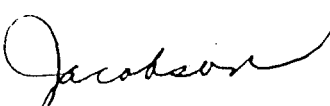
Insert: "NEW SECTION. Section 7. Coordination. The appropriation for the Swan River boot camp in [section 3] includes funding for 5 FTE correctional officers. If House Bill No. 2 does not continue funding for the FTE, the appropriation to the Swan River boot camp in [section 3] is reduced by \$63,832."

Renumber: subsequent section

-END-

 Amd. Coord.

 Sec. of Senate


Senator Carrying Bill

731617SC.SRF

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/30/95 BILL NO. HB 573 NUMBER _____

MOTION: Senator Waterman motion to
Table HB 573.
Motion Carried

NAME	AYE	NO
SWYSGOOD, CHUCK	✓	
BURNETT, JIM		✓
MOHL, ARNIE	✓	
JERGESON, GREG	✓	
FRANKLIN, EVE	✓	
TVEIT, LARRY	✓	
JENKINS, LOREN		✓
JACOBSON, JUDY	✓	
LYNCH, J.D.	<i>Excused</i>	
HARDING, ETHEL	✓	
TOEWS, DARYL		✓
CHRISTIAENS, B.F. "CHRIS"	✓	
WATERMAN, MIGNON	✓	
KEATING, TOM - VICE CHAIRMAN		✓
BECK, TOM	✓	
AKLESTAD, GARY - CHAIRMAN		✓

MONTANA SENATE
1995 LEGISLATURE
FINANCE AND CLAIMS COMMITTEE
ROLL CALL VOTE

DATE 3/30/95 BILL NO. HB 576 NUMBER

MOTION: Senator Waterman moved HB 576
As Amended Be Concurred In.
Motion Failed

NAME	AYE	NO
SWYSGOOD, CHUCK		✓
BURNETT, JIM		✓
MOHL, ARNIE		✓
JERGESON, GREG		✓
FRANKLIN, EVE <i>Excused</i>		
TVEIT, LARRY		✓
JENKINS, LOREN	✓	
JACOBSON, JUDY		✓
LYNCH, J.D. <i>Excused</i>		
HARDING, ETHEL	✓	
TOEWS, DARYL		✓
CHRISTIAENS, B.F. "CHRIS"	✓	
WATERMAN, MIGNON	✓	
KEATING, TOM - VICE CHAIRMAN	✓	
BECK, TOM	✓	
AKLESTAD, GARY - CHAIRMAN	✓	



Report to Governor Racicot October 27, 1994

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1

DATE 2/30/95

BILL NO. HB 493

Water, Water, Everywhere?

Water. Water to drink, water to take our sewage, water to grow our crops. All Montanans need clean and sufficient water to survive. Yet many of our communities have old water systems or no system at all other than wells and malfunctioning drain fields. Inadequate and failing private water, wastewater, and solid waste facilities (environmental infrastructure) threaten our public health, economy and environment.

Today there is a heightened awareness of the dangers of pollution to the public health. Yet treating water is expensive. Construction costs have risen sharply and eliminating chemicals, sediment, heavy metals, and bacteria requires sophisticated systems. It is estimated that our state needs to invest at least \$500 million today to rehabilitate our existing drinking and waste water systems. Solid waste management and facility needs are also significant.

Montana citizens ultimately must pay for these public facilities, but local governments are responsible for finance and construction. Because of the tremendous expense of improving systems and the limited income of our communities, Montana and the federal government have recognized that many communities, especially rural ones, need help. Programs exist to assist and subsidize the high cost of upgrading or replacing environmental infrastructure. Collectively, these programs do not close the gap between what systems cost and what Montana citizens can reasonably afford to pay.

The Water, Wastewater and Solid Waste Action Coordination Team

In 1982, a group of professionals from state, federal, and non-profit organizations, which finance, regulate, or provide technical assistance for community water and wastewater systems, decided to coordinate and enhance their efforts.

This informal group calls itself the "Water, Wastewater and Solid waste Agencies Coordination Team" or W₂ASACT for short. Recently, the focus has broadened to include Solid Waste facilities. W₂ASACT meets several times a year to find ways to improve our state's environmental infrastructure. W₂ASACT members include:

Federal Agencies and Programs:

Bureau of Reclamation
Economic Development Administration
Environmental Protection Agency
Farmers Home Administration (Rural Development Administration)

Private Associations or Non Profit Organizations:

Midwest Assistance Program
Montana Association of County Water and Sewer Systems
Montana Association of Counties
Montana League of Cities and Towns
Montana Rural Water Systems, Inc.
Other interested groups on an ad hoc basis

State Agencies and Programs:

Community Development Block Grant Program (Department of Commerce)
Community Technical Assistance Program (Department of Commerce)
Drinking Water Subdivision Program (Department of Health and Environmental Sciences)
INTERCAP Program (Board of Investments)
Local Government Center (Montana State University)
Local Government Services Bureau (Department of Commerce)
Municipal Wastewater Assistance Program (Department of Health and Environmental Sciences)
Renewable Resources Grant and Loan Program (Department of Natural Resources and Conservation)
Solid and Hazardous Waste Bureau (Department of Health and Environmental Sciences)
State Wastewater Revolving Fund (SRF) (Department of Health and Environmental Sciences)
Treasure State Endowment Program (Department of Commerce)
Water Management Division (Department of Health and Environmental Sciences)

All of the agencies in W₂ASACT administer programs that meet unique needs and have different legislated requirements. The funding programs have common elements: money (grants or loans), environmental infrastructure, and applications. While W₂ASACT cannot change State legislative and federal requirements, it can identify duplications of effort and eliminate or reduce the problems. W₂ASACT, by reducing red tape and working together, saves communities time and money by aligning the right programs with the right projects at the right time.

W₂ASACT's Accomplishments

Without a legislative mandate, executive order, funding or staff, W₂ASACT has been meeting for a dozen years to coordinate a number of programs. W₂ASACT has accomplished much:

- Since 1983 W₂ASACT has sponsored and coordinated annual seminars, statewide, to explain the various financial programs and resources available to local governments. Civil engineers, regulators, and technical assistance providers present information to provide balanced and comprehensive information regarding environmental infrastructure projects. (See Exhibit A, Summary of State and Federal Programs for Water and Wastewater Projects in Montana.)
- W₂ASACT, through its member agencies, has streamlined the application process and coordinated the deadlines for several state grant programs.
- W₂ASACT authored "Planning and Financing Community Systems in Montana" and other publications on capital improvement's planning and financing.
- W₂ASACT maintains master project lists identifying almost every water and wastewater project that the state or federal government is, or may be, providing funding assistance. (See Exhibit B, Water Projects, and Exhibit C, Wastewater Projects.) These lists are used to help W₂ASACT members analyze and coordinate funding assistance for projects.
- W₂ASACT has taken the lead in recognizing the affordability problem and has designed financial indicators which recognize the total cost of taxes and user fees borne by a community's citizens. The indicators have been incorporated to make Montana financial assistance programs more responsive to the affordability problem. W₂ASACT's work in this area has been nationally recognized. Affordability indicators help the grant process to be more sensitive to under or over-subsidizing projects.

W₂ASACT is proud of these specific accomplishments. However, the primary task remains to bring regulators, program managers, and technical assistance providers together to achieve greater results. W₂ASACT gets community projects "unstuck". W₂ASACT leadership was crucial in breaking financial deadlocks in Stockett, Evergreen, St. Regis, Somers, Neihart and many other communities. W₂ASACT members see the barriers that frequently arise and in many cases can help overcome them.

W₂ASACT's Goals and Major Recommendations

Members have set eight goals for W₂ASACT and recommendations for state policy. Some goals can be accomplished from within W₂ASACT; some will take additional resources.

1) Aggressively promoting capital improvements and financial planning. A situation that W₂ASACT members see repeatedly is the crisis mode: A community's wastewater lagoon is leaking; the wastewater rates are ridiculously low; and Department of Health and Environmental Sciences has issued an administrative order to correct the problem. The community yells "HELP!" But what has it been doing for years? "Don't fix it if it ain't broke" may be a popular cliché but what most citizens do not realize is that their public facilities are wearing out a little each year and that planning for and funding repairs and replacements needs to be an annual process. A capital improvements planning process includes cost efficiency measures such as financial depreciation and cost/benefit analysis. Capital improvements planning allows communities to be more self-reliant and is far less costly to taxpayers, in the long run, than the crisis-driven, wait-till-it-breaks approach.

2) To become a recognized advisory body for legislative changes. W₂ASACT itself is not and never intends to be a lobbying organization. However, its members are in a position to see strengths and weaknesses in laws or programs concerning environmental infrastructure projects. W₂ASACT's individual members have offered technical advice on current legislation concerning: Special and Rural Improvement Districts, County Water and Wastewater Districts, the Federal Clean Water Act, and the Federal Safe Drinking Water Act.

3) To further simplify and coordinate procedures and forms. W₂ASACT is working on a standard set of preliminary engineering requirements for funding applications. Environmental and financial assessment procedures also need to be more consistent amongst agencies. W₂ASACT is working towards streamlining these requirements.

4) Develop a uniform policy to promote water metering state-wide. Benefits include water conservation, more equitable rate structures, and reduced overall facility costs.

5) Obtain adequate state and federal funding for preliminary engineering and construction. Decaying infrastructure and new federal and state regulations are driving the need to rehabilitate old and build new water, wastewater, and solid waste facilities. Local governments need additional financial assistance to protect health, safety, and the environment in a manner that is affordable to rate and tax payers. No amount of coordination by W₂ASACT or reorganization of government will close the "funding gap" for Montana communities.

6) To provide additional technical assistance to communities. Rural community leaders, faced with major environmental infrastructure problems, need advice on where to turn for financial assistance, organizational and technical planning. Similarly, small system operators frequently need advice regarding operational problems and changing regulations. There is a gap between technical assistance needs and the resources available to community leaders and system operators. W₂ASACT members are working together to find financing to provide additional technical assistance to community leaders and system operators.

7) Improve timely access to grant programs. Local governments need timely access to grants and low interest loans to meet construction schedules, maximize leverage of federal programs and comply with regulatory requirements. This is an issue with all programs, especially those with funding cycles. In particular, the two year funding cycle for DNRC's Renewable Resource Grant and Loan Program and for DOC's Treasure State Endowment Program makes it difficult to coordinate grant and loan funding with other funding sources and regulatory compliance orders. Changing the funding cycles for these programs, to make them more responsive, should be considered.

8) Increase W₂ASACT's impact and role by finding funds for staff or contracted services. W₂ASACT is reaching the limits of what a completely voluntary, unstaffed and unfunded group can do. W₂ASACT would like to be able to offer Montana communities a holistic approach to local infrastructure needs whereby a single staff person could advise and help coordinate assistance among the programs W₂ASACT represents. Without resources or staff, this is an unrealistic hope. One staff position, or perhaps an appropriation of \$50,000 for contracted administrative support, would help tremendously.

In this time of public outcry for better government, W₂ASACT is an excellent example of dedicated professionals having common interests and goals working together to solve community problems.

For further information about
W₂ASACT contact one of the member
organizations or the Montana
Department of Commerce
1424 9th Avenue
Helena, Montana 59620
(406) 444-3757
(Attention: Robb McCracken)

Wastewater State Revolving Fund Program

SRF LOANS COMPLETED

Fort Benton Rev.	\$1,177,000
Park County	
#1 SID	378,000
#2 SID	83,000
Kalispell Rev.	3,913,000
Missoula	
Wapikiya/Bellevue Clarifier SID	2,465,000
Wapikiya/Bellevue Clarifier Rev.	1,177,000
Wapikiya/Bellevue Add-on SID	324,000
NW Broadway SID	943,000
Rattlesnake SID	364,000
California Street SID	578,000
Reserve Street	2,221,000
Flathead County	
Big Fork RSID	424,000
Evergreen #1 RSID	3,600,000
Evergreen #2 RSID	700,000
Missoula County	
Linda Vista #1 SID	241,000
Linda Vista #2 SID	2,022,000
Wolf Point Rev.	453,000
Shelby Rev.	481,000
Darby Rev.	114,000
	<u>\$21,658,000</u>

SRF PROPOSED LOANS 1995, 1996, 1997

Red Lodge	Butte
Hamilton	Cut Bank
Townsend	Deer Lodge
Victor	Dillon
Big Sky	Reed Point
Cascade	Ronan

Legislature 1995

Updated 2-7-95

Loans completed are for wastewater projects. Loan rates are at 4% for the Wastewater State Revolving Fund Loan (SRF) program. Funding is 17% State General Obligation Bond, 83% EPA grant funds. For the State match of 3.6 million dollars 18.0 million dollars is federal moneys already.

Glendive, Montana
59330



Phone (406) 365-331
300 South Merrill
RECEIVED

FEB 07 1995

DNRC

February 2, 1995

To Whom It May Concern:

It is increasingly difficult to build new or replace old infrastructure due to the costs associated with these projects. Unfunded mandates place additional burden on local governments to come into compliance with water, sewer, and garbage requirements. This in conjunction with the fact that many communities such as Glendive have numerous elderly individuals on fixed incomes and others who simply can not afford to pay for large increases on rates.

Historically, city's across Montana including Glendive have kept rates low. Unfortunately funding was generally not established to fund for the future or for the replacement of infrastructure. Councils simply did not want to increase rates as long as these services were being provided. Thus, after decades of artificially low rates there are no funds available to replace worn out infrastructure or fund the new requirements. Grants are becoming increasingly competitive and generally fund only a portion of the project. Thus when projects are undertaken, City's are forced to borrow funds, which also entails increasing rates to fund the debt service.

This being the case, Cities are continuously seeking out funding mechanisms which will fund these projects and keep user rates as low as possible. We believe that the program sponsored by Representative Ewer is a much needed program. We have worked with Mr. Ewer and the DNRC on numerous occasions and know that they are all to aware of the infrastructure problems facing Montana Cities and Towns. They are also very aware of the funding problems which plague these same entities. Without such a program user rates will be considerably higher than they have to be or needed infrastructure improvements will continue to be ignored. I urge you to support LC 762 to help municipalities fund these much needed changes.

Sincerely,

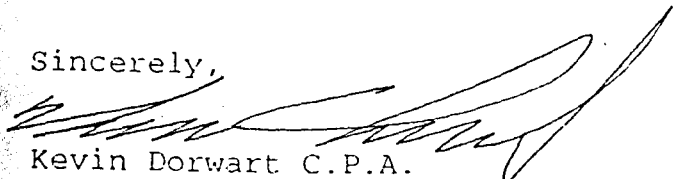

Kevin Dorwart C.P.A.
Director of Operations
City of Glendive

EXHIBIT 2
DATE 3-30-95
HB 493

RECEIVED

JAN 24 1995

DNR C

City of Wolf Point

201 4th Avenue South

WOLF POINT, MONTANA 59201

January 23, 1995

Phone 653-1852
FAX # 653-3240

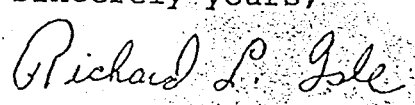
TO WHOM IT MAY CONCERN:

As a recent participant in the State Revolving Loan Program for wastewater treatment facilities, the City of Wolf Point is in support of a similar program for the drinking water systems of Montana.

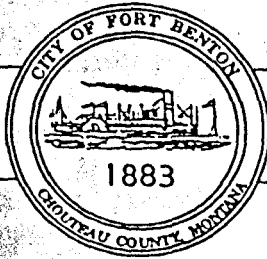
This low-cost funding source will enable several communities in Montana to make the needed repairs/upgrades to their systems.

Thank you for your consideration.

Sincerely yours,



Richard L. Isle
Mayor



City of Fort Benton

1204 Front Street • P.O. Box 8
Fort Benton, Montana 59442

(406) 622-5494
(406) 622-5495

January 23, 1995

To Whom It May Concern:

The City of Fort Benton is a participant in the Montana State Revolving Fund (SRF) Program. In 1991, the City utilized the SRF Program for replacing our Waste water Treatment facility. I would encourage your support of a similar program provided for in LC 762 for drinking water programs. I feel this is a beneficial program for entities dealing with infrastructure problems.

Thank you.

Sincerely,

Roger J. Axtman
Mayor

RJA/m

PARK COUNTY COMMISSIONERS

EXHIBIT

2

DATE

3-30-95

XL

HB 493

414 E. Callender
Livingston, Montana 59047
406-222-6120

RECEIVED

JAN 24 1995

NRG

January 23, 1995

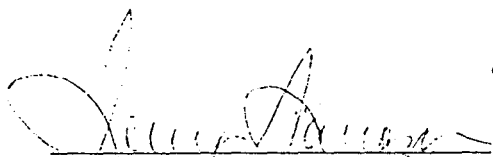
Anna Miller
Dept. of Natural Resources & Conservation
Lee Metcalf Building
Post Office Box 202301
Helena, MT 59620-2301

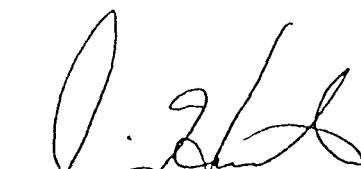
To Whom it May Concern:

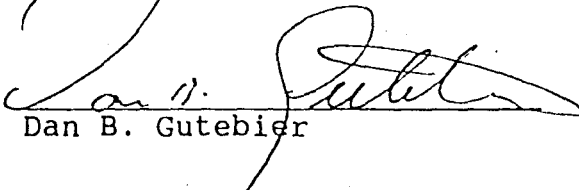
We would like to express our support for a State Revolving Fund program that focuses on drinking water systems.

We recently completed a loan for a sewer project in the Gardiner area using the State Revolving Fund. The low interest rate and aid in establishing the loan made the project possible.

Sincerely,


Terry Saffrazin, Chairman


James Hunt


Dan B. Gutebier



Flathead County Water & Sewer District #1 - Evergreen

130 Nicholson Drive • Kalispell, MT 59901
Phone: (406) 257-5861 Fax: (406) 756-1588

January 23, 1995

Representative Bill Boharski, Chairman
House Local Government Committee
Capital Station
Helena, MT 59601

RE: LC 762 - Drinking Water Revolving Loan Program

Flathead County Water & Sewer District No. 1 - Evergreen supports developing a State Drinking Water Revolving Loan Program similar to the SRF program for waste water treatment facilities.

The Evergreen Water & Sewer District has a current low interest loan from the SRF program for a sewer collection system. Over \$4,000,000 has been borrowed at a low interest of 4%, thereby maintaining the lowest possible cost to the user/propertyowner.

If this SRF program had not been available the project or its size may have been adversely affected. If the project had gone ahead and commercial funding been available, the users would have been faced with an interest charge at least double the current interest charge. Doubling the interest charge, more than doubles the total interest expense.

This potential House Bill sponsored by Representative David Ewer, would provide a funding mechanism for Districts and municipalities when improving or expanding their water facilities.

The District urges you to support LC 762.

Stan Clothier, President
Board of Directors,
Flathead County Water & Sewer District No. 1 - Evergreen

xc: Representative Jack Herron, Vice Chairman, Majority
Representative David Ewer, Vice Chairman, Minority
Senator Ethel Harding, Vice Chair, Senate Local Government Committee
Senator Tom Beck, Chair Senate Local Government Committee
Senator John Harp, District 42
File - Legislation: HB762H20

City of Shelby

P.O. Box 743
Shelby, Montana 59474
(406)-434-5222

RECEIVED

JAN 30 1995

DNRC

January 27, 1995

EXHIBIT 2
DATE 3-30-95
HB 493

DNRC
Anna M. Miller
CARDD-DNRC
P.O. Box 202301
Helena, MT 59620-2301

RE: LC #762 - SRF Program for Water Systems

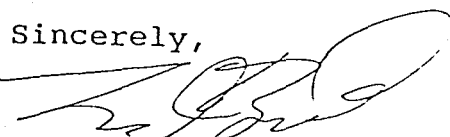
Dear Anna:

On behalf of the City of Shelby, I would like to express our support of legislation that would establish State Revolving Fund loan programs for water systems.

Our community has used SRF funding for improvements to our sewer system and we sincerely believe that a SRF program for water systems would be very beneficial for many Montana communities.

This legislation has our total support.

Sincerely,



Larry J. Bonderud
Mayor

LJB/tlw

cc: City Council

The City of Kalispell

Incorporated 1892

Telephone (406) 758-7700
FAX (406) 758-7753
Post Office Box 1997
Zio 59903-1997

January 25, 1995

Representative David Ewer
State Capitol Building
Post Office Box 201701
Helena, MT 59620-1701

Dear Representative Ewer:

The City of Kalispell would like to go on record in support of LC 762. The City of Kalispell previously benefitted by borrowing from the State's revolving loan program to pay a portion of the debt associated with the construction of a new sewage treatment facility.

The amendments offered in LC 762 would extend to local governments the opportunity to borrow at rates below public bond rates for water improvement projects, for which the present law does not allow.

We would ask that your committee look favorably upon this legislation, as it has the potential of saving Montana citizens thousands of dollars in public borrowing costs associated with water improvement projects.

Sincerely,



Bruce Williams
City Manager

BW/ksk

p.c. Anna Miller

Douglas Rauthe
Mayor

Bruce Williams
City Manager

City Council
Members:

Gary W. Nystul
Ward I

Cliff Collins
Ward I

Barbara Moses
Ward II

Dale Haarr
Ward II

Jim Atkinson
Ward III

Lauren Granno
Ward III

Pamela B. Kennedy
Ward IV

M. Duane Larson
Ward IV

MONTANA SAFE DRINKING WATER REVOLVING LOAN PROGRAM

FACT SHEET

ELIGIBLE PROJECTS

- Water treatment plants, distribution systems, storage, technical studies, well head protection.

ELIGIBLE BORROWERS

- Government agencies, Indian tribes, investor-owned public water systems.

TYPE OF ASSISTANCE

- Low-interest loans, grants for hardship communities.

LOAN TERMS

- Interest rates 0% to market rates with payment schedules not to exceed 20 years. Interest charge repays state debt, supports administration, secures loan.

LOAN SECURITY

- Loan must be evidenced by a bond, note, or other evidence of legally incurred indebtedness of the borrower.

SOURCE OF FUNDS

- Federal capitalization grants, state GO bond proceeds, recycled funds, investment earnings.

LOAN REQUIREMENTS

- Financial capability to repay the loan.
- Proper operation and maintenance of project.
- Maintain financial records.
- Engineering report, plans and construction oversight.
- Site title opinion.

PROGRAM ADMINISTRATION

- The Montana Department of Health and Environmental Sciences (MDHES) provides technical support for the program including compliance with federal grant requirements. The Department of Natural Resources and Conservation (DNRC) provides financial support for program and oversees issuance of state debt to provide match. Administrative costs are paid through federal grants and charges to borrowers. For information contact Scott Anderson of MDHES at 444-5325 or Anna Miller of DNRC at 444-6689.

BCC 95-130
March 20, 1995

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3DATE 3/30/95BILL NO. HB 493

Representative Tom Zook, Chairman
House Appropriations Committee
Montana State Legislature
Helena, MT 59620

Dear Chairman Zook and Committee Members,

We are writing in support of HB 493 which creates the safe drinking water treatment revolving fund act.

As a County which operates four small community water systems with a combined total of approximately 700 users, this bill would help make safe drinking water a "given" for these residents. As it is now, the costs for implementing improved treatment systems for these four communities (El Mar Estates, Lolo, Clinton, and Sunset West) are prohibitive and hinder the County's ability to upgrade the systems.

We ask you to support this bill, and we thank you for your thoughtful consideration of this issue.

Sincerely,

BOARD OF COUNTY COMMISSIONERS

Barbara Evans, Chairman

Fern Hart, Commissioner

Michael Kennedy, Commissioner

BCC/SS:ss

cc: MACo

Missoula County Environmental Health Department

House Bill No. 514
March 30, 1995
Testimony presented by Dave Mott
Montana Fish, Wildlife & Parks
before the Senate Finance & Claims Committee

THB514.SP
SENATE FINANCE AND CLAIMS
EXHIBIT NO. 4
DATE 3/30/95
BILL NO. 7LB 514

The Department supports increasing the value of projects for which the Department of administration may prepare working drawings. Our capital construction program includes many projects between the existing level of \$25,000 and the proposed level of \$75,000. Most of these are simple projects that involve fencing, latrine installation, boat ramps and gravel road construction. We currently are required to utilize consulting architects to design these projects and monitor construction which adds up to 30 percent to construction costs for these basic projects.

We have reviewed our capital program for the FY97 biennium and have found that we will have between 15 and 20 projects that would be affected by this proposal. The projected costs for the projects is \$850,000 for the biennium, and if the Department of Administration had the authority to prepare the working drawings, we could save about \$250,000.

The current limit of \$25,000 was established 16 years ago. The proposed increase would adjust for inflation since 1979.

If HB 514 is passed, the department capital construction program will continue to utilize consulting architects for all of our projects that involve buildings or more complex construction.



P.O. Box 20996, 1629 Ave. D, Billings, MT 59104, Phone 406/259-7300

Fax: 259-4211

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 3/30/95

BILL NO. HB514

TESTIMONY OPPOSING HB514

MONTANA CHAPTER AIA	AIA
AMERICAN SOCIETY OF CIVIL ENGINEERS	ASCE
BILLINGS ARCHITECTURAL ASSOCIATION	BAA
CONSULTING ENGINEERS COUNCIL OF MONTANA	CECM
GREAT FALLS SOCIETY OF ARCHITECTS	GFSA
AMERICAN SOCIETY OF LANDSCAPE ARCHITECTS	ASLA
ARCHITECTURAL SOCIETY OF HELENA	ASH
MONTANA ASSOCIATION OF REGISTERED LAND SURVEYORS	MARLS
MONTANA SOCIETY OF ENGINEERS	MSE
INSTITUTE OF ELECTRICAL AND ELECTRONIC ENGINEERS	IEEE

Mr. Chairman and members of the committee my name is Tom McNab, I represent the Montana Technical Council. The council is made up of 10 professional design societies with a total membership in Montana exceeding 2,000 professionals.

House Bill 514 allows state agencies with construction projects administered by the Department of Administration to raise the amount of construction cost from \$25,000 to \$75,000 per project that the agency can design with their own staff.

Montana Technical Council opposes raising this amount for the following reasons:

PRIVATIZATION

This bill runs contrary to efforts to privatize the functions of government. Agencies are likely to maintain or increase design staff to handle the workload created by this bill. At the same time small private sector design firms that would do this work will be losing a segment of their market share.

OTHER AGENCIES ARE AFFECTED

The bill addresses the concerns of Fish and Wildlife Department, but affects all agencies having construction projects administered by the Department of Administration.

COST OF DESIGN SERVICES

The percentage of fees to construction cost increases as the size of the project gets smaller. Smaller projects do not have the economy of scale that larger projects do. This is due primarily from the fact that a small project costs more percentage wise to administer than a large project will.

A fishing access site is a small project requiring a small amount of design, and a large amount of supervision. The design consultant is required to design to state standards and federal standards, most notably the Americans with Disability Act. The ADA has strict requirements for site design relating to slope angles, landing areas, and clearance distances. The design consultant is required to verify that the work is done as required by the design documents. An engineer will most often survey the slopes, which requires at least two people and time to mobilize the equipment.



COORDINATING COUNCIL FOR MONTANA DESIGN PROFESSIONS

If the design professional does not assure the design requirements of ADA are met, the result can mean a class action law suit. ADA is a federal law, a federal mandate, and a law suit is pursued by the federal attorney general's office. The design professional can not provide this assurance without adequate time on site to examine construction work.

Project sites of this type are more often than not some distance from the design consultant's office. A consultant will bill their client for travel and perdiem time spent getting to and from a remote site. Remoteness of the site will add cost to a project.

Montana Technical Council believes the Fish and Wildlife problems with design costs are related to the types of projects their agency works with and that other agencies are not experiencing the same high percentage of project fees.

Fish and Wildlife department should work with the private design professionals to identify ways to reduce the scope of work required, which would reduce the percentage of fee, or should agree that the scope of work is required and accept that the fees are based on the scope of work performed and will be "percentage-wise" higher than on a large project.

CONSTRUCTION COST INFLATION

An argument could be made to increase the cost because of the increase of construction cost over the years since the current law was enacted. This line of thought is valid, however, the cost of inflation has not been 200 percent increase since the limit was set. Montana Technical Council would suggest a more reasonable inflation increase would be 100 percent or \$50,000, which is higher than the actual inflation increase experienced. If the committee is so inclined Montana Technical Council would support an amendment of the bill to that amount.

Otherwise Montana Technical Council remains opposed to this bill for the reasons stated earlier. We urge you to table or amend this bill.

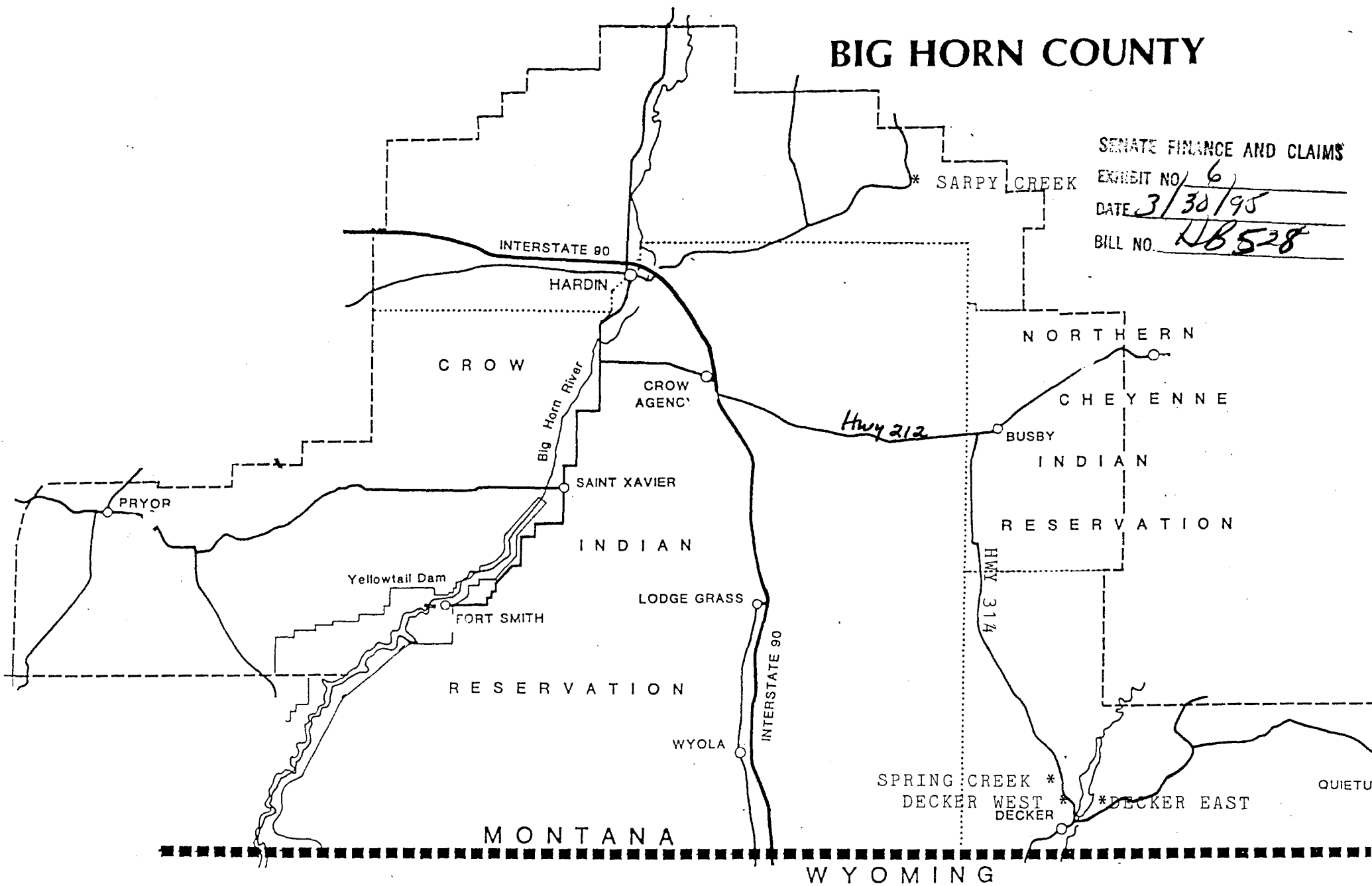
BIG HORN COUNTY

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 6

DATE 3/30/95

BILL NO. HB 528



* INDICATE OPERATING COAL MINES

Coal Gross Proceeds and Miscellaneous Mines Net Proceeds Production

<u>County</u>	<u>Mineral</u>	<u>1992 Production</u> Tons/Carats <u>Extracted</u>	<u>1993 Production</u> Tons/Carats <u>Extracted</u>
Beaverhead	Silica	73,504	8,900
Big Horn	Coal	19,224,169	18,030,719
Broadwater	Limestone	527,446	425,093
Carbon	Bentonite	54,173	29,459
	Limestone	380,744	0
Carter	Bentonite	407,707	378,621
Gallatin	Limestone	531,539	535,051
Granite	Sapphire	5,125	5,000
Jefferson	Limestone	399,988	460,497
	Silica	589	0
Judith Basin	Sapphire	11,602	150
Madison	Chlorite	10,513	0
	Talc	422,646	351,451
Missoula	Other Misc.	0	200
Musselshell	Coal	0	12,180
Park	Travertine	0	841
Powell	Phosphate	128,797	82,730
Richland	Coal	243,686	282,259
Rosebud	Coal	<u>16,868,312</u>	<u>14,695,139</u>
Total		39,290,540	35,298,290

IV. NONRENEWABLE NATURAL RESOURCE TAXATION

A. STATE SEVERANCE AND LICENSE TAXES

EXHIBIT

6

DATE

3-30-95HB 528

Coal Severance Tax

The coal severance tax applies to the value of coal F.O.B. (free-on-board) the mine less deductions for the coal severance tax, coal gross proceeds tax, resource indemnity and groundwater assessment tax, federal black lung tax, federal reclamation fee, government and tribal royalties, and processing allowances. (MCA 15-35-102)

Producers of over 50,000 tons of coal per year pay a quarterly tax on all production in excess of 20,000 tons. Producers of less than 50,000 tons per year are exempt from the tax. Surface mined coal is taxed at 15% if rated 7,000 BTU per pound and over and taxed at 10% if rated under 7,000 BTU per pound. Coal mined underground is taxed at 4% if rated 7,000 BTU per pound and over, and is taxed at 3% if rated under 7,000 BTU per pound. (MCA 15-35-103)

Coal Severance Tax

	FY 90*	FY 91	FY 92	FY 93	FY 94*
Number of producers	7	7	7	6	6
Number of exempt producers	1	1	1	1	1
Number of tons taxed	34,663,720	34,709,025	36,348,019	35,457,327	32,966,439
Average value per ton	\$7.40	\$7.65	\$7.75	\$7.49	\$8.05
Total Tax**	\$67,870,544	\$50,457,839	\$43,434,110	\$38,439,386	\$39,624,883

* FY 90 total includes \$11 million in audit revenue; FY 94 total includes \$1.4 million in audit revenue.

** Totals may not include all interest, penalties and accruals and, therefore, may not agree with revenues listed on page 4.

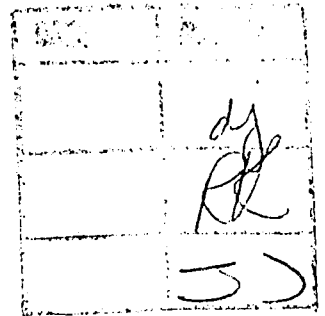
OFFICE OF THE GOVERNOR
STATE OF MONTANA

MARC RACICOT
GOVERNOR



STATE CAPITOL
HELENA, MONTANA 59620-0801

FEB 28 1995



February 27, 1994

Board of Commissioners
Big Horn County
Drawer H
Hardin, Montana 59034

Dear Commissioners:

I certainly recognize the problem you have with Highway 314 and understand why you would be interested in the Coal Tax money for reconstructing that road. However, I believe there may be an alternative possibility instead of taking the money we have designated for repair and reconstruction of buildings in H.B. 19.

The appropriation sub-committee has eliminated all funding for coal board grants in the next biennium freeing up approximately \$5.1 million in coal tax revenues to be used for other purposes. We had not counted on that money for general fund or school funding in our budget since it would not become available until June 30, 1997.

You may wish to discuss this possibility with your local legislators. As I informed Commissioner Robert Koyama, I am not in a position to support reducing the money we have requested in H.B. 19, but may be able to support some compromise with the Coal Board over the use of their money and your project.

I might advise that the Musselshell County Commissioners are also seeking a means of funding transportation needs associated with the Ball Mountain Mine and may be considering this same possibility. You might wish to consult with Kelly Gebhardt (323-1104) in that regard.

Sincerely,

A handwritten signature of Marc Racicot.

MARC RACICOT
Governor

EXHIBIT 6
DATE 3-30-95
HB 528

Preferred Customer

From: Preferred Customer
To: 'fax:Big Horn County Comm.@1406665-1608'
Subject: Highway 314 & HB528
Date: Wednesday, March 29, 1995 11:05AM

My Name is John Small and my home and ranch are located 10 miles south of Busby on highway 314. It is appalling the condition Highway 314 has been allowed to degenerate to. It is broken up and has pot holes everywhere. Highway 314 has had a tremendous amount of traffic on it especially since it has been paved. Tongue River Reservoir attracts fishermen, boaters, and campers. The two mines in the Decker area generate heavy truck traffic. The employees at the mine also generate traffic. Community members utilize the road for transporting their children to school and area farmers and ranchers use it everyday to run their business operations. The base on the road appears to be inadequate and the spot repairs generally do not last longer than a few weeks. Due to the magnitude of traffic and poor condition of the road, community members are in danger of their lives every time they leave home. Some of the pot holes extend to both sides of the road and are deep enough to wreck a vehicle. Highway 314 has become a severe safety hazard for anyone traveling it. Subsequently, the resurfacing of Highway 314 needs to become a high priority. Thank you John Small

OFFICE OF THE GOVERNOR
STATE OF MONTANA



MARC RACICOT
GOVERNOR

STATE CAPITOL
HELENA, MONTANA 59620-0801

February 14, 1995

Conrad Heinen
Box N
Lodge Grass MT 59050

FEB 14 1995
dy
RK
SS

Dear Mr. Heinen:

Thank you for your letter and photographs describing areas needing repair on the Busby-Decker Road (S-314). This route is on the Montana Highway System but is maintained by Big Horn County.

The Montana Department of Transportation maintenance personnel in their semi-annual review of Secondary Roads identified these areas as needing county maintenance support. I am sure that Big Horn County is working on this and all their roads as time and weather permits. We will forward your letter of concern to the Big Horn County Commissioners.

If there are any questions, please feel free to contact Myron Wilson, Acting District Engineer for the Montana Department of Transportation in the Billings office at (406) 252-4138.

Sincerely,

A handwritten signature in cursive script that reads "Marc Racicot".

MARC RACICOT
Governor

cc: Big Horn County Commissioners
Myron Wilson, Acting District Engineer, Billings District

COPY



• WOHEHV •
The Morning Star

NORTHERN CHEYENNE TRIBE
INCORPORATED

EXHIBIT 6

P.O. Box 128

DATE 3-30-95

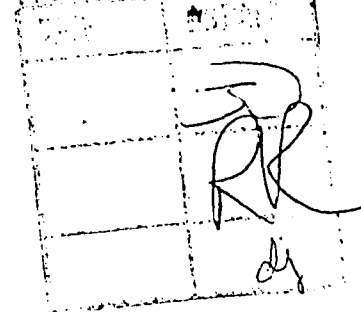
LAME DEER, MONTANA 59043

HB 528



• WOHEHV •
The Morning Star

NOV-28-1994



November 23, 1994

TO: State of Montana Coal Board

FR: Llevando Fisher, Northern Cheyenne Tribal Chairman

RE: Big Horn County Commissioner's Request for
Funding on County Rd 314

Dear Board Members:

We are pleased to write this letter in support of the Bighorn County Commissioner's request to the State Coal Board for Road Improvement Funding. As you are aware approximately 12 miles lie within the Southeastern boundaries of the Northern Cheyenne Indian Reservation. The road serves not only the members of the tribe, some of who reside along this route, but the general public from Bighorn and Rosebud Counties as they travel to the Tongue River Dam recreational site. A percentage of tribal and otherwise general population travel from Birney Montana on County Road 314 at the southeast corner. This route serves as a short cut. In the past we have cooperated with other entities in joint efforts to try and address and improve the conditions of these and other roads within and adjacent to the Northern Cheyenne Indian Reservation. As we understand it through a study that was done for the tribe by Martell and associates in 1991. This road is classified as a minor arterial this being defined as roads that handle the traffic movements between the different areas of the reservation. They are also used to connect major arterials. If we could be of any further assistance, please do not hesitate to contact our Tribal Transportation Planners Office at (406)477-8050.

Llevando Fisher,
Northern Cheyenne Tribal Chairman

cc: Big Horn County Commissioners
District Chairman, Busby, MT., Alfred Strange Owl
Cordell Ringel, Area Office Engineer
File

SCOBEEY PUBLIC SCHOOLS

• TELEPHONE 406-487-2202
• FAX NO. (406) 487-2204

SCHOOL DISTRICT NO. 1
205 2nd Ave. E.
P.O. Box 10
Scobey, Montana 59263

CLIFF HAGFELDT
Chairman, Board of Trustees

KAREN L. SCHAEFER
Board Clerk/Business Manager

DUSTIN B. HILL
Superintendent

GEORGE RIDER
High School Principal

DEANNA R. GILMORE
Elementary Principal

ELAIR T. WAHL
NIKKI GRENDA
Counselors

LARRY HENDERSON
Activities Director

IRENE NESGODA
Administrative Bkbp./Sec.

WANITA BENSON
*Attendance/Records Clerk
H.S./Elem. Secretary*

February 14, 1995

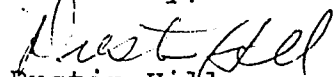
BOARD OF COMMISSIONERS
BIG HORN COUNTY
PO Drawer H
Hardin, MT 59034

Dear Commissioners:

We presently use up to 350 tons of Spring Creek mined stoker coal to heat our school plant. We agree with the Big Horn County Commissioners that Highway #314 is vital to the State of Montana.

We encourage the Montana Coal Board to allocate coal severance taxes collected under 15-31-108, M.C.A., to the state special revenue fund to the credit of the coal area highway improvement account to be used for the reconstruction of a portion of Montana Highway 314 between Decker and Busby, Montana.

Sincerely,


Dustin Hill
Superintendent



Hardin Public Schools

ELEMENTARY DISTRICT NO. 17H & HIGH SCHOOL DISTRICT NO. 1

Route 1, Box 1001
Hardin, Montana 59034-9707
(406) 665-1304

Industrial Park Subdivision
Big Horn County
FAX# 406-665-2784

EXHIBIT 6
DATE 3-30-95
? HB 528

February 14, 1995

Big Horn County Commissioners
Drawer H
Hardin, MT 59034

Dear Commissioners:

School Districts 17H & 1 certainly would support any effort to see that the improvements are made on Highway 314. We presently receive our coal shipments from the Spring Creek Mine by way of Sheridan, Wyoming. By having the opportunity to purchase the coal directly from Spring Creek to Hardin would cut our shipping costs.

An additional item in regards to Highway 314 would be the economic benefit that I believe would occur, not only to our region, but to the entire Southeastern and Southcentral sections of Montana. Having the coal-fired boilers has tremendously decreased our energy cost and more importantly has stabilized our energy budget. If more districts were able to have a ready supply of coal over reasonable shipping lanes, the cost factor would be economically feasible for additional districts to stabilize their utilities budgets in much the same manner as we have.

Please contact me if there are any efforts that we can provide to further improvement of that road for ourselves and the students who come to our school districts.

Sincerely,

Rodney Svec
Superintendent

RS/rl

EXH 6A
3-30-95
HB 528

FINAL

PAVEMENT IMPROVEMENT STUDY

SECONDARY HIGHWAY 314

BIG HORN COUNTY, MONTANA

JUNE, 1994

The original of this document is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

Prepared By:

MORRISON-MAIERLE/CSSA

**2020 Grand Avenue
Billings, Montana 59102**

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION



MARC RACICOT, GOVERNOR

LEE METCALF BUILDING
1520 EAST SIXTH AVENUE

STATE OF MONTANA

DIRECTOR'S OFFICE (406) 444-6699
TELEFAX NUMBER (406) 444-6721

PO BOX 202301
HELENA, MONTANA 59620-2301

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 7

DATE 3/30/95

BILL NO. HB 528

March 8, 1995

TO: Representative Lila Taylor
Representative, House District 5

FROM: Mark A. Simonich, Director *Mark Simonich*

RE: Proposed Reconstruction of a Portion of Montana Highway
314

Montana Highway 314 between Decker and Busby, Montana will very likely be impacted by the Department of Natural Resources and Conservation's upcoming rehabilitation of the Tongue River Dam. Specifically, the State of Montana has signed a hiring preference agreement (per the Northern Cheyenne Indian Reserved Water Rights Settlement Act of 1992) with the Northern Cheyenne Tribe entitling the Tribe up to 75% of the jobs in the local construction workforce. The Northern Cheyenne Tribal workforce, which could number up to 30 or 40 employees during peak times, will regularly travel Highway 314 twice daily during the two years of Tongue River Dam rehabilitation. Safe and dependable road conditions and travel will ensure the availability of a large portion of the project workforce. Equally important, it is likely that Highway 314 will be used to convey some of the contractors' equipment, employees, and project materials to the job site. Road conditions will be very important to ensure the transport of the contractors' employees, equipment, and materials.

Existing Highway 314 road conditions could certainly impair the workforce and the contractors' ability to safely travel to and from the project site.

TESTIMONY BEFORE THE MONTANA SENATE COMMITTEE ON FINANCE AND CLAIMS - FUNDING OF COAL IMPACTED HIGHWAYS AND APPROPRIATING MONEY FOR THE RECONSTRUCTION OF MONTANA HIGHWAY 314.

I am Debra Johnson, Chairman of the Board of County Commissioner for Big Horn County, and I would like to go on record in support of House Bill 528.

Within Big Horn County there are four functioning coal mines located on State Secondary Highways, to-wit:

1. Westmoreland Resources - Secondary Highway 384
2. Spring Creek - Secondary Highway 314
3. Decker East - Secondary Highway 314
4. Decker West - Secondary Highway 314

The highways are a significant part of the coal mining operations. After 20 years of mining, our infrastructure has deteriorated to a point where all travel is not only difficult, but hazardous as well. The highways provide access for the coal mine employees, supply vendors i.e. equipment, coal transport trucks; logging; farming and ranching, as well as tourism and recreation.

Montana realizes a significant part of its revenue from coal severance taxes, as indicated in the Biennial Report of the Montana Department of Revenue 1992-1994. The State of Montana received \$38,439,386 in FY 1993 and \$39,624,883 in FY 1994. Fifty percent of this revenue is generated from Big Horn County, and we believe that it would be appropriate that a small portion of the State revenue received from the coal industry be returned to facilitate the industry that has so richly rewarded the State of Montana. As a result Big Horn County initially introduced a bill requesting 5.5 million dollars from the State Highway Account in the State Special Revenue Fund and 5 million from the local impact account in the State Special Revenue Fund to assist us in the reconstruction of the north end of Highway 314.

In the past, funding for these projects, was available through the Montana Coal Board. In reference to Governor Racicot's letter dated February 27, 1995, the appropriation sub-committee has eliminated all funding for Coal Board grants in the next biennium freeing up approximately 5.1 million in coal tax revenues to be used for other purposes. Said funding has not been allocated for general fund or school funding purposes. It is my understanding that the House Appropriations Committee has allocated \$1 million dollars of local impact funds to Musselshell County for their anticipated coal impact needs.

Ideally we would like to see a total reconstruction of 13 miles on Highway 314, but realistically Big Horn County would be appreciative of any amount of local impact funding to assist us in our endeavors to provide a safe and serviceable road.

Coal mining is a viable industry for many years to come and it is the State of Montana's responsibility to provide an adequate transportation system to insure continued revenue and employment for the residents of the State of Montana.

I further present letters from resident John Small, the Northern Cheyenne Tribe, Spring Creek Coal Company, Scobey Public Schools, and the Hardin Public Schools in support of this legislation.

We would appreciate your consideration of our request.

SUPPORT HB 544

“FINANCIAL ASSISTANCE TO NON-BENEFICIARY STUDENTS ATTENDING TRIBAL COLLEGES”

Non-beneficiary students are students that are **not members** of a federally recognized Tribe and are attending one of Montana's Tribal Colleges.

The Tribal Colleges receive no Federal or State assistance for these students.

These appropriated funds will go to the Tribal Colleges on a pro-rated basis and not directly to the student.

This is legislation a fiscally prudent legislator should support.

1. It opens seven outstanding Tribal Colleges to non-Indian enrollment for a very small cost.
2. It increases the opportunity for **all** people in Montana to improve themselves by attending college.
3. It will help reduce the number of people on welfare.
4. It will help Montana to continue to be the **“Last Best Place”**.

Amendments to House Bill No. 573
Second Reading CopyPrepared by MDHES
March 23, 1995

1. Page 2, line 1
Following: "furnished"
Strike: for more than 30 days a year
2. Page 2, line 3
Following: "transient quests."
Insert: "An establishment hired or rented for thirty days or less per year which does not serve prepared meals is not a tourist home."

Amendments to House Bill No. 3
Third Reading Copy

carried

For the Senate Finance and Claims Committee

Prepared by Office of Budget and Program Planning
March 28, 1995

1. Page 2, line 26.
Strike: "1,720,000"
Insert: "1,620,000"

Description:

This amendment reduces the supplemental appropriation for school transportation by \$100,000 to reflect revised estimates which are now available.

Amendments to House Bill No. 3
Third Reading CopyRequested by Senator Jacobson
For the Committee on Finance and Claims*carried*Prepared by Taryn Purdy
March 28, 1995

1. Page 4, line 7.

Insert: "NEW SECTION. Section 7. Coordination. The appropriation for the Swan River boot camp in [section 3] includes funding for 5 FTE correctional officers. If House Bill No. 2 does not continue funding for the FTE, the appropriation to the Swan River boot camp in [section 3] is reduced by \$63,892."

3 (should be \$ 63,832)

Renumber: subsequent section

{Office of Legislative Fiscal Analyst

444-2986}

Amendments to House Bill No. 576
Third Reading Copy

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 13
DATE 3/30/95
BILL NO. NB 576

For the Committee on Senate Finance and Claims

carried

Prepared by Shauna Ryan
March 29, 1995

1. Page 4, lines 27 through 30.
Strike: "INTERNAL" on line 27 through "FUNDS" on line 28
Insert: "state agencies"
Strike: "ON" on line 28 through "CHARGES," on line 29
Following: "type" on line 30
Insert: "internal service fund type"
Following: "charges"
Strike: "1"

{Office of Legislative Fiscal Analyst

444-2986}

Sample of Proprietary Funded Programs
 1997 Biennium
 in Millions

Currently Appropriated in House Bill 2

Department of Administration

Information Services Division	\$36.62
Procurement and Printing	20.57
General Services	8.05

Department of Transportation

State Motor Pool	3.76
Equipment Program	30.42

Secretary of State

All Operations	3.86
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Montana University System

Insurance Benefits/Admin	38.23
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Department of Commerce

Lottery Admin (prizes are statutory)	14.14
Board of Housing Admin	2.67
Board of Investments Admin	3.75

Department of Corrections

Prison Industries/Ranch	12.50
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Department of Justice

Agency Legal Services	1.25
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Total of Table	<u>\$175.83</u>
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Not Currently in House Bill 2

Department of Revenue

Liquor Operations (language appropriation)	115.43
--	--------

Workers' Compensation System

All Operations (current statutory approp)*	250.00
--	--------

Department of Commerce

Lottery prizes*	34.19
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*Represents amount of authority added in fiscal 1994.

DATE March 30, 1995SENATE COMMITTEE ON Finance and ClaimsBILLS BEING HEARD TODAY: HB 490 Rep. Squires HB 493 Rep. Ewe
HB 514 Rep. DeBruycker HB 528 Rep. Taylor
HB 544 Rep. Tussell HB 552 Rep. Pulicini HB 573 Rep. Cobb

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
London Morris	MAA / MSLA Co.	493	✓	
Sanne Gathak	SKC	544	✓	
LINDA EAKIN	SKC	544	✓	
Barbara Martiney	Salish Kootenai College	544	✓	
Neena Johnson	Big Horn City Comm	528	✓	
John Doyle	Big Horn County	528	✓	
Brunel Red Chimin	Northern Cheyenne Tribe	528	✓	
Tom Schneider	MPEA	490	✓	
Amie Miller	DNR C	493	✓	
Dave Mott	FWP	514	✓	
Joe McDonald	Salish Kootenai College	544	✓	
Julie Walser	Salish Kootenai College	544	✓	
Charlette Jackson	Salish Kootenai College	544	✓	
Florence Young	BHC Self	528	✓	

George Wagerman VISITOR REGISTER

490 ✓

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE March 30, 1995SENATE COMMITTEE ON Finance and ClaimsBILLS BEING HEARD TODAY: HB 490 HB 493HB 514 HB 528 HB 544 HB 552 HB 573

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Dennis J. Byle	Salish-Kootenai College	544	✓	
Ray Beck	DURC	493	✓	
Tom Slovacek	DHES	493	✓	
Barbara Neuwerth	DHES	493	✓	
Jim Mockler	MT. Coal Council	^{HB} 528	✓	
Dick Crofts	DCHFE	544	✓	
NICK U. CLOS	MONT. RURAL WATER SYSTEM	493	✓	
B. Uecker	Self	513		✓
Tom Crossen	St. An. Order	552	—	
TOM BILLODEAU	MEA	490	X	
Phil Campbell	MEFA	490	X	
Tom McNair ^{mont. technical}	~~HB 514~~	HB 514		X
Phil J. Mascher	Idaho Job Service DCI	490	✓	
Joe Zwick	Dist 36	HB 552		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE March 30, 1995SENATE COMMITTEE ON Finance & ClaimsBILLS BEING HEARD TODAY: HB 490 HB 493
HB 514 HB 528 HB 544 HB 552 HB 573

< ■ >

PLEASE PRINT

< ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Dan Keil	Montane/Lure/Water Systems	^{HB} 493	✓	
BRIAN McCullough	DLT	490	✓	
MARK CRESS	Admin	490	✓	
Lois Menpiés	Admin	490	✓	
JAY DRISCOLL	MFT/MFSE	490	X	
Stuart Duggell	MT Truckers Assoc.	573	X Amendment	
Jay Storall	mt Rep	528	X	
Jay Storall	mt Rep	544	X	
GEORGE OCHENSKI	CONF. SALISH KOOTENAI TRIBES	544	X	
Chris Lundstrom	Salish Kootenai College	544	X	
Clint Eastwood	self	573	X	
Carl Schweitzer	MFT Cont Ass	HB 514		X

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY